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MEETING DOCUMENT

From:	General Secretariat of the Council
To:	Budget Committee
Subject:	DB 2024: ECA executability letter

In view of the Conciliation on the budget 2024, delegations will find enclosed the European Court of Auditors' executability letter.

E-MAIL

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EUROPEAN
COURT
OF AUDITORS

Tony Murphy
President

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Luxembourg, 12 October 2023

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Subject: Budget 2024 - Executability letter of the European Court of Auditors

Dear Chairman, dear President,

In view of the forthcoming meeting of the Conciliation Committee, the European Court of Auditors (ECA) would like to make the following observations concerning the position adopted by the Council of the European Union and the amendment approved by the European Parliament's Committee on Budgets, to be voted in the next European Parliament's plenary session.

To meet the expectations of the European Parliament and the Council, the ECA is continuously looking for opportunities to optimise the use of its resources, making savings, increasing efficiency and requesting financing only for justified needs.

The ECA estimate for revenue and expenditure for the financial year 2024 (DB 2024) was prepared with due care, in line with actual needs, and in full respect of the principles of economy, efficiency et effectiveness. The total budget requested for 2024 amounted to €186 553 000 (+6.57 % compared to the 2023 Budget) mainly explained by the assumptions related to salaries and allowances and the exceptional impact of energy costs on non-salary expenditure.

During the 2024 budgetary procedure, the cuts operated by the Commission on our DB 2024 led to a global reduction of €1 749 570, related to:

- Budget line 2024 - Energy consumption with a cut of €1 292 930;
- Budget line 1400 - Other staff (mainly Contract agents) with a cut of €456 640.

The ECA's position on the budget lines that were subject to cuts is detailed below.

Budget line 2024 - Energy consumption

Under the interinstitutional contract concluded by the EU institutions located in Luxembourg, the price of electricity is set at the start of the year for the full twelve months, with no adjustments. The electricity price in January 2023 was 249 % higher than in January 2022, leading to an initial request of €2 490 000 in our DB 2024. This level of appropriations reflected the price increase, based on the available information at the time when the DB 2024 was established.

The Commission reduced the level of appropriations to €1 197 070, which was confirmed by the Council in its position.

The ECA considers that this amount is not sufficient to cover the 2024 energy costs. Based on the latest information available and taking into account the price evolution in 2023, we estimate that a revised amount of €1 700 000 corresponds to our best estimate of the level of appropriations needed to cover the 2024 energy costs.

On 2 October, the European Parliament's Committee on Budgets adopted a budgetary amendment to adjust the ECA's initial request to an amount of €1 700 000. The voted amendment leads to a €502 930 increase compared to the Council's position and to a total ECA 2024 budget that amounts to €185 306 360.

Budget line 1400 - Other staff

No additional posts were requested in the establishment plan for 2024. However, an increase in the number of external staff (two additional contract staff, three SNEs and two interim staff) has been integrated in the DB 2024. The related appropriations, for a total amount of €456 640, were deducted from the budget line 1400 – Other staff, which was confirmed by the Council in its position. The position adopted by the European Parliament's Committee on Budgets was on the same line and did not present amendments to revert to the ECA's initial request.

While taking due note of the positions of the Budget Authority, the ECA would like to point out that external staff are essential to allow for business continuity in ECA's daily operations. The level of appropriations for external staff in our DB 2024 covers both ECA's additional needs for these staff categories and the higher cost of salaries in Luxembourg.

The ECA uses contract agents and other external staff for a number of different functions, each of a high importance for our work. For instance, we rely significantly on contract agents for the driving and security services. In addition, we recently increased the use of contract agents in an attempt to reinforce new services such as the Data team, the DPO and the ISO.

These contracts are also extremely important as they allow us to maintain business continuity in case of part-time or long-term absences. Finally, they bring some flexibility in the recruitment process as it is becoming more and more difficult to recruit staff in Luxembourg. The use of contract staff thus allows us to cover unexpected needs and difficulties in recruiting specific profiles.

SNEs are mainly recruited to address audit needs while contributing to knowledge sharing and enhanced collaboration with Supreme Audit Institutions (SAIs) and national authorities. The request for three additional SNEs compared to 2023 was mainly explained by continued support and collaboration with the Ukrainian SAI in 2024.

Technical adjustment – Amending letter to the Draft General budget 2024

Following a clerical error, an amount of €330 000 relating to the annual fees charged-back by the Commission for the use of the payment application (NAP) and Sysper was not included in our DB 2024. We therefore support the increase of the related budget line accordingly, as proposed in the Amending letter n°1 to the Draft General budget 2024.

To conclude, the ECA's DB 2024 has been established with diligence, integrating already significant efforts in an exceptional context, and requesting financing only for justified needs.

In that context, we welcome the position taken by the European Parliament's Committee on Budgets, to be voted in the next European Parliament's plenary session regarding the energy costs, would like to reiterate our needs for additional staff, and advocate for them to be considered and adopted in the conciliation procedure.

We remain at your disposal should you need any additional information.

Yours sincerely,



Tony Murphy
President