



**Doc. 284**

14 September 1954

## **Appointment of a Committee on Budgetary Questions and Administration and on the procedure to be followed in budgetary matters**

### **Report<sup>1</sup>**

Committee on Rules of Procedure, Immunities and Institutional Affairs

Rapporteur: Mr Hendric Dudley OAKSHOTT, United Kingdom

---

1. 1954 - 6th Session - Second part



## **A. Draft Resolution**

The Assembly,

Noting with satisfaction Resolution (53) 38 adopted by the Committee of Ministers with the object of enabling the Assembly to express an opinion on its own operational appropriations ;

Considering, however, that in any estimate of the costs involved it is impossible to draw a hard-and-fast distinction between those arising from the permanent organisation of the Secretariat-General and those due to the temporary nature of the Assembly's Sessions ;

Believing, moreover, that it is desirable that the Budget should be reviewed as a whole in order to preserve the administrative unity of the Council of Europe ;

Considering that the parliamentary nature of the Assembly's work should progressively be strengthened, within the framework of its consultative functions,

Resolves :

1. that the Assembly should be consulted by the Committee of Ministers on the draft Budget of the Council of Europe as a whole ;
2. that a Committee of seven, to be called " the Committee on Budgetary Questions and Administration ", be set up by the Assembly to report on all budgetary and administrative questions and that its members be appointed in accordance with Rule 40 (4) of the Rules of Procedure ;
3. that the documents placed before the Committee by the Secretary-General should include the draft Budget of the Council of Europe for the forthcoming year, the Budget for the current year as approved by the Committee of Ministers, and the most recent audited accounts of the Council of Europe ; and that, on the basis of the Committee's Report thereon, the Assembly adopt an Opinion, to be transmitted to the Committee of Ministers.

**B. Draft Order of the Assembly**

That the Bureau do act on behalf of the Assembly in granting or withholding its assent to the appointment by the Secretary- General, in accordance with Resolution (53) 38, paragraph 4, of the Committee of Ministers, of a comptroller of expenditure to be incurred by the Clerk.

## C. Explanatory Memorandum

### 1. Background

At its Fifth Ordinary Session the Assembly included in its Agenda the question of appointing a Committee on Budgetary and Administrative Questions (cf. Fifth Session, [Doc. 149](#)), which was referred to the Committee on Rules of Procedure and Privileges (see Fifth Session, 10th Sitting, 13th May, 1953).

In December, 1953, at the instance of the Bureau, the Committee of Ministers decided to grant the Assembly certain budgetary powers and to this end adopted the following Resolution (53) 38 (see Sixth Session, [Doc. 220](#), para. 3);

1. When drawing up the draft Budget for the Council of Europe the Secretary-General shall consult the Assembly on that part of the draft Budget which comprises the relevant operational appropriations. Such consultation shall take place in accordance with a procedure to be laid down by agreement between the President of the Assembly and the Secretary-General. The opinion of the Assembly shall be transmitted to the Committee of Ministers at the same time as the draft Budget. Any appropriations proposed by the Assembly which, by the purpose served or the amount involved, may be considered by the Secretary-General to be unsuitable for inclusion in the draft Budget, shall also be transmitted to the Committee of Ministers at the same time as the draft Budget.

2. A list of members of the staff of the Secretary-General placed wholly at the disposal of the Assembly Services shall be appended each year to the Budget.

3. The Secretary-General shall, within such limits as he may determine, delegate to the Clerk of the Assembly the duties of ordonnateur empowered to incur financial commitments in respect of appropriations figuring in the Vote of the Budget relating to the operation of the Assembly and its Committees.

4. The Secretary-General shall submit for approval by the Assembly the name of an official of the Finance Department of the Secretary-General to act as comptroller, responsible for giving the approval required for the incurring of financial commitments connected with the appropriations mentioned in (3) above.

5. The above provisions shall in no way affect the responsibility of the Secretary-General in respect of budgetary and administrative matters, as they are laid down in the Statute of the Council and the Financial Regulations. " This Resolution was referred to the Committee on Rules of Procedure and Privileges by the Standing Committee at its meeting held on 8th February, 1954. On 19th May, 1954, Your Committee was invited by the Standing Committee to submit a report on this matter during the First Part of the Sixth Session, but, for reasons given in the Report, [Doc. 254](#), it was impossible to do justice to the question within the desired time-limit. On that occasion, therefore, Your Committee merely submitted a draft Order which was adopted by the Assembly on 28th May, 1954, (Order No. 54), and set up a Sub-Committee to examine the whole question. The conclusions of this Sub-Committee were placed before the plenary Committee at its meeting on 13th September, 1954.

### 2. Competence of the Assembly

In order that the Assembly might be better informed about the budgetary proposals which concerned it, it would, in the opinion of the Bureau, be helpful if such proposals could first be submitted for examination to a small committee whose reports would serve as a basis for the Assembly's deliberations. On being consulted, Your Committee was naturally led to examine more closely the extent of the powers to be granted to the Assembly in budgetary and administrative matters. The question of procedure cannot be settled without an agreement also being reached on the question of principle.

This question is governed essentially by Article 38 (c) of the Statute of the Council of Europe that ' ' in accordance with the Financial Regulations, the Budget of the Council shall be submitted annually by the Secretary-General for adoption by the Committee of Ministers ' '.

Articles 2 and 3 of the Financial Regulations stipulate in their turn that the Secretary-General shall prepare the draft Budget for consideration by the Committee of Ministers not later than 30th September of each year and that this document, accompanied by a detailed estimate of the anticipated expenditure, by an explanatory statement and by an estimate of the division of expenses as between the Members, shall be submitted to a Budget Committee nominated by the Committee of Ministers.

Your Committee are of opinion that it would be unwise to contemplate amending the Statute and that any intervention by the Assembly should take account of the powers and duties in budgetary matters which the Statute lays upon the Committee of Ministers and the Secretary-General. But there is nothing to prevent the Assembly being invited, as part of its consultative functions, to give its opinion on the budgetary proposals of the Secretary-General, and this opinion could then be considered by the Committee of Ministers before the latter took its decisions on the subject.

Resolution (53) 38 adopted by the Committee of Ministers, at the instance of the Bureau, confirms this view, and the Assembly cannot but welcome the fact. Indeed, the circulation of part of the Draft Preliminary Budget for 1955 does signify the first recognition of the need for public accountability for the expenditure of the Council of Europe. Most national assemblies appoint financial committees charged with scrutinising the expenditure of the executive power and with making recommendations upon the matter in which the responsibility for that expenditure is discharged. When public money is spent upon international bodies, this scrutiny is largely inoperative, for the expenditure is in the form of a block grant which, once made, is no longer the responsibility of the Government concerned. The creation of an effective internal machinery for scrutinising the expenditure of international bodies like the Council of Europe is all the more necessary for this reason.

On the other hand, Your Committee considers that the consultation proposed by the Committee of Ministers has been too narrowly conceived. To inform the Assembly merely of the estimates relating to its own operations, especially if confined to Vote I I of the Budget which mainly concerns temporary staff recruited for the Sessions, would hardly enable the Assembly to present the Committee of Ministers with an opinion of any value. It is not only temporary officials who are responsible for the operations of the Assembly; and even with regard to other expenses incurred during Sessions it is impossible to make an effective distinction between temporary and permanent expenses. If the Assembly is to be able to give a considered opinion on its own expenditure, then it must be able to examine the draft Budget as a whole. Your Committee trusts that the Committee of Ministers will agree (cf. para. 1 of the draft Resolution below).

This view is in keeping with the lines on which the Council of Europe has evolved in recent years, often with the encouragement of the Committee of Ministers itself. It also accords with the views expressed by the President of the Assembly in his opening speech on 20th May, 1954; and in adopting this view the Council will help to strengthen that spirit of mutual co-operation which should exist between all its organs.

Since the Committee of Ministers has accepted the principle that the Assembly should be informed of the budgetary estimates relating to its own operations, it follows logically that the documents required for the Assembly to make a realistic assessment of this expenditure should also be supplied. Your Committee are of opinion that the Budget of the Council of Europe for the current year as approved by the Committee of Ministers, together with the latest audited accounts, should be both published and made available to all Representatives at the earliest possible date. Your Committee do not anticipate objections to this proposal. In the Report of the Committee of Ministers to the Assembly in the present Session ([Doc. 237](#)), it is stated in paragraph 68 that : " The Committee of Ministers has accepted the principle whereby the audited accounts of the Council of Europe may be communicated to the national parliaments " ; and it is a fact that copies of the Budget as approved by the Committee of Ministers, as well as the accounts, have recently been made available in this way. The publication of estimates of expenditure and audited accounts is an essential part of any adequate system of accountability for the use of public money and Your Committee attach the greatest importance to it. They do not believe that the Committee of Ministers would wish to deny to Representatives a source of financial information which is already available to all parliamentarians of Member States.

The measures specified by the Committee of Ministers for the certifying and supervising of financial operations entailed by the work of the Assembly do not add anything substantially new. They in no way affect the present budgetary and administrative responsibilities of the Secretary-General. They do, however, provide some moral satisfaction, the importance of which may grow as the Assembly comes more and more to resemble a real parliamentary body, since, under the terms of paragraph 3 of Resolution (53) 38 of the Committee of Ministers, the Clerk to the Assembly is by delegation of the Secretary-General to become the ordonnateur of expenses relating to Assembly operations.

### **3. Appointment and duties of a Committee on Budgetary Questions and Administration**

On the above grounds Your Committee has reached the conclusion that a committee should be set up entitled " Committee on Budgetary Questions and Administration " comprising seven members appointed under Rule 40 (4) of the Rules of Procedure. I t s duty would be to report on all budgetary and administrative questions referred to it by the Assembly, to conduct such inquiries into current and past expenditure as it thinks fit and to report to the Assembly on the draft Budget prepared by the Secretary-General.

I t is also the view of Your Committee that the proposed Committee on Budgetary Questions and Administration should have referred to it expenditure dealt with in Article 38 (d) and (e). of the Statute. This Article provides that :

(d) The Secretary-General shall refer to the Committee [of Ministers] requests from the Assembly which involve expenditure exceeding the amount already allocated in the Budget for the Assembly and its activities.

(e) The Secretary-General shall also submit to the Committee of Ministers an estimate of the expenditure to which the implementation of each of the Recommendations presented to the Committee would give rise... "

I n the opinion of Your Committee, therefore, all proposed expenditure which falls into either of these two categories should be referred to the proposed Committee on Budgetary Questions and Administration. This action would ensure that, before a Recommendation of the Assembly was sent to the Committee of Ministers its financial and economic implications would have been thoroughly explored and endorsed by the Assembly's Committee on Budgetary Questions and Administration. The Recommendations of the Assembly would be held in higher esteem if it were known that a thorough and responsible examination had been made of their financial implications.

### **4. Examination of budgetary and administrative questions by the Assembly**

The text of the report of the Committee on Budgetary Questions and Administration should take the form of an Opinion presented to the Committee of Ministers.

In accordance with the procedure laid down by Rule 35 of the Rules of Procedure relating- to majorities required, the Assembly would be invited to vote upon the separate articles by an absolute majority in each case and to adopt the draft Opinion as a whole by a twothirds majority.

### **5. Conclusions**

The Committee on Rules of Procedure and Privileges imanimously proposes the following draft Resolution and draft Order :