



**COUNCIL OF  
THE EUROPEAN UNION**

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**COVER NOTE**

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from:	Mr Janusz LEWANDOWSKI, Member of the European Commission
date of receipt:	30 April 2012
to:	Mr Bjarne CORYDON, President of the Council of the European Union
No Cion doc.:	DEC07/2012
Subject:	Transfer of appropriations No DEC07/2012 within Section III - Commission - of the general budget for 2012

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Delegations will find attached Commission document DEC07/2012.

Encl.: DEC07/2012



## EUROPEAN COMMISSION

BRUSSELS, 26/04/2012

GENERAL BUDGET - 2012  
SECTION III - COMMISSION TITLE 26

### TRANSFER OF APPROPRIATIONS N° DEC 07/2012

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#### **FROM**

**CHAPTER** - 40 01 RESERVES FOR ADMINISTRATIVE EXPENDITURE

ARTICLE 40 01 40 - 26 01 20 European Personnel Selection Office

Non-Diff.

- 1 500 000

#### **TO**

**CHAPTER** - 26 01 Administrative expenditure of the 'Commission's administration' policy area

ARTICLE - 26 01 20 European Personnel Selection Office

Non-Diff.

1 500 000

When establishing the 2012 budget, the Budgetary Authority placed an amount of EUR 1 500 000<sup>1</sup> from budget line 26 01 20 (European Personnel Selection Office [EPSO]) into reserve.

The reserve will be released by the Budgetary Authority after EPSO fulfils the following two conditions:

1. The presentation, to the relevant committee of the European Parliament, of a thorough analysis and evaluation of the actual costs of its activities, describing the allocations and their exact use, including the cost of placing individual candidates on the reserve lists, and an evaluation of its foreseen costs for the next three years;
2. EPSO guarantees full cooperation with the European Parliament, including attending promptly the requests of Parliament, taking into account its particular needs in the planning of the open competition, as well as in the design of the open competition and its different phases. In addition, EPSO is also to guarantee that all the members of the selection boards appointed by the European Parliament, for all selection procedures, participate fully at all stages of the given selection procedures. This includes participation in the drafting of all relevant documents for the open competition, access to all relevant documents (including the Computer Based Testing [CBT] questions and answers if requested by them), free access to the EPSO buildings, permanent working space (including PC working stations) and information.

### Information to the Budgetary Authority on actions taken by EPSO in relation to the above request:

1. EPSO's budget for 2012 amounts to EUR 28 228 750. This figure includes an amount for the European School of Administration (EUSA) of EUR 5 928 050, which covers the School's administrative and operational expenditure. Thus, the budget available to EPSO in 2012 amounts to EUR 22 300 700.

These EUR 22 300 700 include administrative expenditure of EUR 15 262 150 (mainly for staff, buildings, ICT and other management expenditure), as well as an operational budget of EUR 7 038 550 for the running of all inter-institutional competitions for permanent staff and for the organisation of selection procedures for contractual agents. EPSO's operational budget for 2012 is 5% lower than the corresponding 2011 budget.

In July 2011, EPSO's Management Board approved the provisional target figures for 2012, when EPSO will have to deliver a total of 1 640 laureates in the context of open competitions for permanent staff (including the first Croatian laureates with linguistic profiles). In 2012, EPSO will also organise selection procedures in order to identify around 1 400 contractual agents in various fields (translators, nurses, building and security officers).

Target figures for the subsequent years have not yet been established by the Management Board. However, depending on the available budgetary resources for recruitment within the Institutions, it is to be expected that EPSO will be asked to produce a comparable number of laureates to the figure for 2012<sup>2</sup>.

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1 This amount represents more than 5% of EPSO's initial budget for 2012. The reserve was split as follows: EUR 500 000 on the salaries line and EUR 1 000 000 on EPSO's operational budget line for the organisation of inter-institutional competitions in 2012. The amount of EUR 1 000 000 represents 14.21% of EPSO's operational budget for 2012.

2 All Institutions participate in the 3-year strategic planning exercise, which has been conducted by EPSO for several years now. Once the Institutions have identified their recruitment needs, EPSO's Management Board decides on the actual work programme for a specific year.

With regard to the actual cost of placing individual candidates on a reserve list, EPSO would like to draw the attention of the Budgetary Authority to the following elements:

During the period 2004-2011, EPSO produced reserve lists with a total of 19 205 laureates. The total budget for this period (excluding the EUSA budget) was around EUR 164 million, which amounted to an average cost per selected candidate of EUR 8 540. This figure, extrapolated over a career spanning 35 years, amounts to approximately EUR 244 per successful candidate per year.

In 2011, EPSO and the Association of Human Resource Managers in International Organisations (AHRIMIO) made a comparative analysis of the unit cost of selection and recruitment between EPSO and other international public sector bodies. The results of this analysis were summarized in a report, according to which the average selection cost-per-hire in all participating organisations was USD 16 216 (i.e. EUR 11 436 at the currency rate of 5 April 2011).

2. EPSO is committed to ensuring full co-operation with the European Parliament.

EPSO will continue to take into account the individual needs of the different Institutions, whilst at the same time respecting the inter-institutional character of the task at hand.

Details of all selection procedures and open competitions are discussed on a regular basis within the different inter-institutional bodies, such as the EPSO Working Group, EPSO's Management Board, the Commission Paritaire Commune (COPARCO) and several ad-hoc working groups created by EPSO.

All Selection Board members are staff members working for the Institutions, including the European Parliament. Selection Board members participate in all stages of the selection process. Tests are developed in close collaboration with the Selection Boards and must be validated by them.

For CBT questions, the standard practice in EPSO is to systematically show sample questions to the Board members. Once the difficulty matrix of the tests has been approved by the Selection Board, members can be given access – upon request – to the question pool for the competition in question.

Selection Board members are invited to present themselves at the reception desk in our main entrance. Once they have been signed in, members have full access to the 2<sup>nd</sup> and 3<sup>rd</sup> floors of the EPSO premises, where the Assessment Centre tests take place.

All rooms for interviews and oral presentations are equipped with PC's, which are at the disposal of the Selection Board members. EPSO also has a limited number of 'bureaux de passage' which Selection Board members may use.

In light of the above, the European Commission requests the Budgetary Authority to approve the proposed transfer of appropriations.

## I. INCREASE

### a) Heading

#### 26 01 20 - European Personnel Selection Office

### b) Figures at 03/04/2012

	Non-Diff.
1A. Appropriation in budget (initial budget + AB)	26 728 750
1B. Appropriation in budget (EFTA)	0
2. Transfers	0
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3. Final appropriation for the year (1A+1B+2)	26 728 750
4. Utilisation of final appropriation	20 054 163
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<b>5. Amount not used/available (3-4)</b>	<b>6 674 587</b>
<b>6. Requirements up to year-end</b>	<b>8 174 587</b>
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<b>7. Increase proposed</b>	<b>1 500 000</b>
8. Increase as percentage of appropriation in budget (7/1A)	5.61%
9. Increase, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 23(1)(b) and (c) of the Financial Regulation, calculated in accordance with Article 17a of the implementing rules	n/a

### c) Receipts arising from recovery (carried over) (C5)

	Non-Diff.
1. Appropriation available at start of year	710 700
2. Appropriation available on the 03/04/2012	0
3. Rate of utilisation [(1-2)/1]	100.00%

### d) Detailed grounds for the increase

Please see introduction.

## II. DECREASE

### a) Heading

#### **40 01 - RESERVES FOR ADMINISTRATIVE EXPENDITURE – Article 26 01 20 - European Personnel Selection Office**

### b) Figures at 30/03/2012

	<b>Non-Diff.</b>
1A. Appropriation in budget (initial budget + AB)	1 500 000
1B. Appropriation in budget (EFTA)	0
2. Transfers	0
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3. Final appropriation for the year (1A+1B+2)	1 500 000
4. Utilisation of final appropriation	0
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<b>5. Amount not used/available (3-4)</b>	<b>1 500 000</b>
<b>6. Requirements up to year-end (*)</b>	<b>0</b>
<b>7. Proposed decrease</b>	<b>1 500 000</b>
8. Decrease as percentage of appropriation in budget (7/1A)	n/a
9. Decrease, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 23(1)(b) and (c) of the Financial Regulation, calculated in accordance with Article 17a of the implementing rules	n/a
(*) Not relevant for a provisions line or reserve line	

### c) Receipts arising from recovery (carried over) (C5)

	<b>Non-Diff.</b>
1. Appropriation available at start of year	710 700
2. Appropriation available on the 30/03/2012	0
3. Rate of utilisation [(1-2)/1]	100.00%

### d) Detail grounds for the transfer

Please see introduction.