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AMENDING BUDGET 1/2015

Board of Governors

Meeting in Prague on 15, 16 and 17 April 2015

**Amending Budget 1/2015**

The Financial Regulation foresees the possibility of amending budgets ‘In the event of unavoidable, exceptional or unforeseen circumstances’ (Article 15.1). Amending Budget 1 / 2015 comprises four elements which were not foreseen at the moment when the 2015 Budget was adopted by the Board of Governors in Sofia (April 2014). These elements are:

1. **Study on the reorganization of studies in the secondary cycle. (92 600 €)**

The Board of Governors of April 2014 agreed to the allocation of an amount of some 120 000 € in order to carry out a study on the reorganization of secondary studies. This decision was not accompanied by a corresponding provision in the relevant Budget item.

The Office of the Secretary General launched a procurement procedure to this end and awarded the market to Education Institute, University of London on 18 July 2014. As foreseen in the terms of reference, an amount of 24 000 € was paid after the delivery of the initial report on September 30, 2014. The remaining 92 600 € will need to be paid in 2015 after the delivery of the interim and final reports.

1. **Revision of syllabuses in secondary (145 000 €)**

Following the decision of the Board of Governors to revise the syllabuses in the secondary cycle and base them on competences, including evaluation criteria, the activities of the relevant working groups will increase significantly in 2015 and 2016. In this context, at its meeting of 11 February 2015, the Joint Board of Inspectors (JBI) approved the planning of the pedagogical working groups foreseen until the end of 2015 – see document 2014-09-D-35-en-fr-2. All activities that have been mentioned in the plan were considered having the same priority.

The JBI also wished to draw attention to the fact that some new mandates had been given at these February pedagogical meetings, on the one hand, by the Board of Inspectors (BI) and on the other, by the Joint Teaching Committee (JTC). Those new mandates were also designated as having the same priority.

1. **Go live of SAP (1 012 000 €)**

As announced in Amending Budget 3/2014, additional resources are needed relating to the go-live phase of the SAP project. Indeed, the deployment of the application has proven to be extremely challenging for the European schools. The main difficulties relate mainly to the poor quality of the Master Data and subsequent difficulties in its upload, as well as to considerable difficulties in obtaining appropriate information from social secretariats across all 7 host countries in order to proceed with the correct and punctual payment of salaries. In this context, the requested resources are necessary in order to properly set up the basic parameters for the application to function properly. This includes consultants fees for the processing and uploading of Master Data, liaising with social secretariats and individual schools and processing and testing of data files originating in social secretariats in seven Member States.

In addition, a substantial level of support is needed from both on line and on site to each European school in order to bring all end users up to speed. This support concentrates in the early months of 2015 and consists of three basic elements:

* Reinforcing second level support and providing third level support in order to deal with an unexpectedly high number of tickets originating from users in all fifteen sites
* Weekly conference calls and training sessions in order to tackle common problems and to guide key users through the different steps of new procedures, in particular relating to payroll, cut over activities and monthly closing in SAP
* Onsite support in all schools

Furthermore, additional trainings are required in the areas of closing and banking, which were not foreseen in the training plan of 2014, as well as additional licenses and accountancy reports.

Finally, a reinforcement of the second level support will be needed in 2015 after the phasing out of SAP consultancy resources. This support will be much needed by all schools up until the time when all end users feel sufficiently confident with SAP to carry out their day-to-day operations.

1. **Budget nomenclature**

The Board of Governors of December 2014 agreed to adopt a new, simpler budget nomenclature starting with the 2016 Budget. The board in invited to agree to the application of the same budget nomenclature already with the implementation of the 2015 Budget in order to facilitate the flexible management of the 2015 Budget and to enhance transparency when the 2015 Budgetary accounts will be presented in 2016.

1. **Revenue**

At this early stage of the year it is difficult to project what the implementation of the 2015 Budget will be. In addition, provisional figures for 2014 indicate that there will be some small surpluses in some of the schools. In consequence, it is proposed to finance this Amending Budget from the anticipated surpluses instead of requesting already now an additional contribution from the EU Budget. Table 2 indicates how the EU contribution will be re-structured in order to finance this Amending Budget in the central office.

**Table 1: Amending Budget 1 / 2015 Central Office**

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| --- | --- | --- |
| *Budget Item* | *Name* | *Amount in €* |
| BC 60 1 2 02 | ICT | 1 012 000 |
| BC 60 1 2 03 | BSGEE | 92 600 |
| BC 60 1 2 03 | BSGEE | 145 000 |
| **Total Expenditure** |  | **1 249 600** |
|  |  |  |
| BC 70 20 01 | EU contribution | 1 249 600 |
| **Total Revenue** |  | **1 249 600** |

**Table 2: Amending Budget 1 / 2015: Schools**

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| --- | --- | --- |
| *School* | *EU contribution (Item 70 2 1 01)* | *Surplus* *(Item 70 3 3 01)* |
| Alicante | * 100 000
 | + 100 000 |
| Brussels III | * 449 600
 | + 449 600 |
| Culham | * 100 000
 | + 100 000 |
| Luxembourg I | * 100 000
 | + 100 000 |
| Luxembourg II | * 200 000
 | + 200 000 |
| Mol | * 200 000
 | + 200 000 |
| Varese | * 100 000
 | + 100 000 |
| **Total** | * 1 249 600
 | **+** 1 249 600 |

1. **Conclusions of the Budgetary Committee**

The Budgetary Committee expressed a favourable opinion on the January 2015 amending budget, with the European Commission entering a reservation.