COMMITTEE OF MINISTERS
COMITÉ DES MINISTRES
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MINISTERS' DEPUTIES CM Documents **CM(2026)100-add3** 1 June 2026[1]

1570th meeting, 23 September 2026

11 Programme, Budget and Administration

11.1 Financial Statements and Budgetary Management Accounts of the Council of Europe for the year ended 31 December 2025 – Follow-up to the Report of the External Auditor

Memorandum by the Secretary General

Item to be considered by the GR-PBA at its meeting on 2 July 2026

The Secretary General welcomes the fact that the External Auditor has issued an unqualified opinion and certified that the financial statements are in full compliance with IPSAS (International Public Sector Accounting Standards).

The Secretary General intends to take the following action in response to the recommendations made in the External Auditor's report.

Rec. No.	Recommendation	Response	Timeframe
01	Design and implement an Organisation-wide system of standardised staff costs for budgetary purposes. The system should enable staff budgets to be prepared and executed on the basis of centrally defined standard rates, rather than individual payroll profiles. The SSC framework should include: - A central governance structure responsible for defining, approving and updating SSC rates; - A clear methodology specifying the scope and composition of the rates; - A periodic update of the rates, based on actual payroll data and relevant changes in staff cost; - An annual reconciliation between SSC-based budgets and actual staff costs, in order to monitor variances and maintain budget reliability and transparency; - A clear mechanism for the treatment of variances between SSC and actual payroll costs.	DPB will continue to explore the application of standardised staff costs for budgetary purposes with the aim of completing a feasibility study in 2026, and a potential implementation for the Programme and Budget 2028-2031, depending on the outcome of the feasibility study.	31 December 2027

[1] This document has been classified restricted until examination by the Committee of Ministers.

Rec. No.	Recommendation	Response	Timeframe
02	The Council of Europe strengthen the governance of PO and payment approvals by implementing a common Organisation-wide approval framework. This framework should include: - A standard approval process across all entities; - The implementation of an integrated Organisation-wide tool to initiate, approve and record purchase order approvals, ensuring a complete and reliable audit trail; - A clear identification of the approver, date of the approval, reference to the underlying transaction, and evidence of budget availability; - Integration with existing tools used to monitor and control financial delegations, in particular those relating to the authorisation of expenditure and payments.	DIT is working with the relevant departments to develop a standard source to pay solution that consists of various workflows. The project is ongoing and will be finalised in 2027.	31 December 2027
03	The Organisation to develop and implement a structured roadmap to improve integration between budgeting, accounting, reporting and HR systems, with a view to reducing reliance on disconnected tools and manual transfers.	DPB, DHR, TPA and DIT will explore ways of improving the integration of the systems referred to in the recommendation, with the aim of drawing up a roadmap by the end of 2027. The implementation timetable should be set out in the roadmap.	31 December 2027