



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 23 January 2009

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ADDENDUM TO "I/A" ITEM NOTE

from: Budget Committee
to: Permanent Representatives Committee/Council

Subject: Discharge to be given to the executive agencies in respect of the implementation of
the budget for the financial year 2007
- Draft Council recommendations

Annex 1: Education, Audiovisual and Culture Executive Agency	2
Annex 2: Executive Agency for Competitiveness and Innovation	5
Annex 3: Executive Agency for the Public Health Programme (now Executive Agency for Health and Consumers)	8

Draft

COUNCIL RECOMMENDATION

of

**on the discharge to be given to the Director
of the Education, Audiovisual and Culture Executive Agency
in respect of the implementation of the budget
of the Education, Audiovisual and Culture Executive Agency
for the financial year 2007**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Commission Decision 2005/56/EC of 14 January 2005 setting up the Education, Audiovisual and Culture Executive Agency for the management of Community action in the field of education, audiovisual and culture in application of Council Regulation (EC) No. 58/2003¹, as amended by Commission Decision 2008/785/EC of 9 October 2008²,

Having regard to Council Regulation (EC, Euratom) No. 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes³, and in particular Article 14 (3) thereof,

Having regard to Commission regulation (EC) No. 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No. 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes⁴, as last amended by Commission Regulation (EC) No. 651/2008 of 9 July 2008⁵, and in particular Article 66, first paragraph, thereof,

¹ OJ L 24, 27.1.2005, p. 35.

² OJ L 269, 10.10.2008, p. 11.

³ OJ L 11, 16.1.2003, p. 1.

⁴ OJ L 297, 22.9.2004, p. 6.

⁵ OJ L 181, 10.7.2008, p. 15.

Having examined the revenue and expenditure account for the financial year 2007 and the balance sheet at 31 December 2007 of the Education, Audiovisual and Culture Executive Agency, hereinafter referred to as the "Executive Agency", as well as the Court of Auditors' report on the annual accounts of the Executive Agency for the financial year 2007, accompanied by the Executive Agency's replies to the Court's observations¹,

Whereas EUR 5.6 million (83.1%) of the EUR 6.7 million in appropriations carried forward from the financial year 2006 to the financial year 2007 have been used,

Whereas EUR 6.8 million in appropriations have been carried forward from the financial year 2007 to the financial year 2008 and EUR 1.6 million have been cancelled,

Whereas the observations in the Court of Auditors' report in relation to the financial year 2007 call for certain comments by the Council, which are annexed to this recommendation; whereas the Council stresses the importance it attaches to those comments being followed up,

Whereas following the above examination, the implementation of the budget of the Executive Agency is such as to allow a discharge to be given in respect of that implementation,

HEREBY RECOMMENDS the European Parliament to give a discharge to the Director of the Executive Agency in respect of the implementation of the budget for the financial year 2007.

Done at Brussels,

For the Council
The President

¹ OJ C 311, 5.12.2008, p. 71.

**COMMENTS ACCOMPANYING THE COUNCIL RECOMMENDATION
ON THE DISCHARGE TO BE GIVEN TO THE EXECUTIVE AGENCY**

The Council welcomes the fact that the Court of Auditors has been able to obtain reasonable assurance that the Executive Agency's annual accounts for the financial year ended 31 December 2007 are, in all material respects, reliable and that the underlying transactions, taken as a whole, are legal and regular. However, some observations need to be made.

The Council notes with concern the persistently high carry-over rates and calls on the Executive Agency to make every effort to comply fully with the provisions of the Financial Regulation, in particular those regarding the annuality principle.

The Council also notes with concern the high cancellation rate in 2007 and urges the Executive Agency to improve its programming and the budgeting of its activities, especially audits, in order to avoid such large-scale cancellations of appropriations carried over.

The Council encourages the Executive Agency to ensure more transparent and non-discriminatory recruitment procedures by adopting formal recruitment practical guidelines for temporary and contractual staff at an earliest possible date.

Draft

COUNCIL RECOMMENDATION

of

**on the discharge to be given to the Director
of the Executive Agency for Competitiveness and Innovation
in respect of the implementation of the budget
of the Executive Agency for Competitiveness and Innovation
for the financial year 2007**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Commission Decision 2004/20/EC of 23 December 2003 setting up an Intelligent Energy Executive Agency to be entrusted with certain tasks in the management of Community programmes¹, as amended by Commission Decision 2007/372/EC of 31 May 2007 in order to transform the "Intelligent Energy Executive Agency" into the Executive Agency for Competitiveness and Innovation²,

Having regard to Council Regulation (EC, Euratom) No. 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes³, and in particular Article 14(3) thereof,

Having regard to Commission regulation (EC) No. 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No. 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes⁴, as last amended by Commission Regulation (EC) No. 651/2008 of 9 July 2008⁵, and in particular article 66, first paragraph, thereof,

¹ OJ L 5, 9.1.2004, p. 85.

² OJ L 140, 1.6.2007, p. 52.

³ OJ L 11, 16.1.2003, p. 1.

⁴ OJ L 297, 22.9.2004, p. 6.

⁵ OJ L 181, 10.7.2008, p. 15.

Having examined the revenue and expenditure account for the financial year 2007 and the balance sheet at 31 December 2007 of the Executive Agency for Competitiveness and Innovation, hereinafter referred to as the "Executive Agency", as well as the Court of Auditors' report on the annual accounts of the Executive Agency for the financial year 2007, accompanied by the Executive Agency's replies to the Court's observations¹,

Whereas EUR 0.68 million (70%) of the EUR 0.98 million in appropriations carried forward from the financial year 2006 to the financial year 2007 have been used,

Whereas EUR 2.1 million in appropriations have been carried forward from the financial year 2007 to the financial year 2008 and EUR 0.77 million have been cancelled,

Whereas the observations in the Court of Auditors' report in relation to the financial year 2007 call for certain comments by the Council, which are annexed to this recommendation; whereas the Council stresses the importance it attaches to those comments being followed up,

Whereas following the above examination, the implementation of the budget of the Executive Agency is such as to allow a discharge to be given in respect of that implementation,

HEREBY RECOMMENDS the European Parliament to give a discharge to the Director of the Executive Agency in respect of the implementation of the budget for the financial year 2007.

Done at Brussels,

For the Council
The President

¹ OJ C 311, 5.12.2008, p. 79.

**COMMENTS ACCOMPANYING THE COUNCIL RECOMMENDATION
ON THE DISCHARGE TO BE GIVEN TO THE EXECUTIVE AGENCY**

The Council welcomes the fact that the Court has been able to obtain reasonable assurance that the Executive Agency's annual accounts for the financial year ended 31 December 2007 are, in all material respects, reliable and that the underlying transactions, taken as a whole, are legal and regular. However, some observations need to be made.

The Council notes with concern the increasingly high rate of carry-overs and cancellations and urges the Executive Agency to take the appropriate measures to comply in full with the provisions of the financial regulation, in particular regarding the principle of annuality.

In this context, the Council draws the attention of the Executive Agency on the crucial importance of a thorough expenditure planning, which should be fully consistent with its operational programming.

In addition, the Council takes note of the Court's observation related to the two amending budgets established by the Executive Agency in 2007, which were published late and without disclosing the revised figures separately for each amended budget. The Council calls on the Executive Agency to ensure fully transparent budgetary and administrative procedures.

Draft

COUNCIL RECOMMENDATION

of

**on the discharge to be given to the Director
of the Executive Agency for the Public Health Programme
(now Executive Agency for Health and Consumers)
in respect of the implementation of the budget
of the Executive Agency for the Public Health Programme
(now Executive Agency for Health and Consumers)
for the financial year 2007**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Commission Decision 2004/858/EC of 15 December 2004 setting up an executive agency, "the Executive Agency for the Public Health Programme", for the management of Community action in the field of public health¹, as amended by Commission Decision 2008/554/EC of 20 June 2008²,

Having regard to Council Regulation (EC, Euratom) No. 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes³, and in particular Article 14(3) thereof,

¹ OJ L 369, 16.12.2004, p. 73.

² OJ L 173, 3.7.2008, p. 27.

³ OJ L 11, 16.1.2003, p. 1.

Having regard to Commission regulation (EC) No. 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No. 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes¹, as last amended by Commission Regulation (EC) No. 651/2008 of 9 July 2008², and in particular article 66, first paragraph, thereof,

Having examined the revenue and expenditure account for the financial year 2007 and the balance sheet at 31 December 2007 of the Executive Agency for the Public Health Programme, hereinafter referred to as the "Executive Agency", as well as the Court of Auditors' report on the annual accounts of the Executive Agency for the financial year 2007, accompanied by the Executive Agency's replies to the Court's observations³,

Whereas EUR 0.56 million (56%) of the EUR 1 million in appropriations carried forward from the financial year 2006 to the financial year 2007 have been used,

Whereas EUR 1.51 million in appropriations have been carried forward from the financial year 2007 to the financial year 2008 and EUR 0.14 million have been cancelled,

Whereas the observations in the Court of Auditors' report in relation to the financial year 2007 call for certain comments by the Council, which are annexed to this recommendation; whereas the Council stresses the importance it attaches to those comments being followed up,

Whereas following the above examination, the implementation of the budget of the Executive Agency is such as to allow a discharge to be given in respect of that implementation,

¹ OJ L 297, 22.9.2004, p. 6.

² OJ L 181, 10.7.2008, p. 15.

³ OJ C 311, 5.12.2008, p. 86.

HEREBY RECOMMENDS the European Parliament to give a discharge to the Director of the Executive Agency in respect of the implementation of the budget for the financial year 2007.

Done at Brussels,

For the Council
The President

**COMMENTS ACCOMPANYING THE COUNCIL RECOMMENDATION
ON THE DISCHARGE TO BE GIVEN TO THE EXECUTIVE AGENCY**

The Council welcomes the fact that the Court has been able to obtain reasonable assurance that the Executive Agency's annual accounts for the financial year ended 31 December 2007 are, in all material respects, reliable and that the underlying transactions, taken as a whole, are legal and regular. However, some observations need to be made.

The Council notes with concern the high rate of carry-overs, a significant proportion of which, regarding administrative expenditure, was neither justified by legal obligations nor related to goods and services to be delivered in 2008. Therefore, the Council calls on the Executive Agency to take the appropriate measures to comply in full with the provisions of the Financial Regulation, in particular regarding the principle of annuality.