



**COUNCIL OF
THE EUROPEAN UNION**

**Brussels, 5 February 2014
(OR. en)**

**5850/14
ADD 1**

**FIN 73
PE-L 8**

"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 2012
- - *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 Health and Consumers	8
ANNEX 4:	Trans-European Transport Network Executive Agency	11
ANNEX 5:	Research Executive Agency	14
ANNEX 6:	European Research Council Executive Agency	17

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 2012

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Commission Implementing Decision 2013/776/EU of 18 December 2013 establishing the "Education, Audiovisual and Culture Executive Agency" and repealing Decision 2009/336/EC¹,

Having regard to Council Regulation (EC) 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 programmes², 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 programmes³, and in particular Article 66, first paragraph, thereof,

¹ OJ L 343, 19.12.2013, p. 46.

² OJ L 11, 16.1.2003, p. 1.

³ OJ L 297, 22.9.2004, p. 6, as last amended by Commission Regulation (EC) No 651/2008 of 9 July 2008 (OJ L 181, 10.7.2008, p. 15).

Having examined the revenue and expenditure accounts for the financial year 2012 and the balance sheet at 31 December 2012 of the Education, Audiovisual and Culture Executive Agency, hereinafter referred to as the "Executive Agency", and the report by the Court of Auditors on the annual accounts of the Executive Agency for the financial year 2012, accompanied by the Executive Agency's replies to the Court's observations¹,

Whereas the observations in the Court of Auditors' report in relation to the financial year 2012 call for a comment by the Council, which is annexed to this recommendation; whereas the Council stresses the importance it attaches to this comment 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 2012.

Done at Brussels,

For the Council

The President

¹ OJ C 365, 13.12.2013, p. 43.

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

The Council welcomes the Court's opinion that, in all material respects, the Executive Agency's annual accounts present fairly its financial position as at 31 December 2012 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of the Executive Agency's Financial Regulation and the accounting rules adopted by the Commission's accounting officer, and that the underlying transactions for that financial year are legal and regular. Nevertheless, one observation needs to be made.

The Council notes that the level of carry-overs was relatively high and invites the Executive Agency to limit the amount of carry-overs, in line with the budgetary principle of annuality.

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 2012

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Commission Implementing Decision 2013/771/EU of 17 December 2013 establishing the "Executive Agency for Small and Medium-sized Enterprises" and repealing Decisions 2004/20/EC and 2007/372/EC¹,

Having regard to Council Regulation (EC) 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 programmes², 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 programmes³, and in particular Article 66, first paragraph, thereof,

¹ OJ L 341, 18.12.2013, p. 73.

² OJ L 11, 16.1.2003, p. 1.

³ OJ L 297, 22.9.2004, p. 6 as last amended by Commission Regulation (EC) No 651/2008 of 9 July 2008 (OJ L 181, 10.7.2008, p. 15).

Having examined the revenue and expenditure accounts for the financial year 2012 and the balance sheet at 31 December 2012 of the Executive Agency for Competitiveness and Innovation, hereinafter referred to as the "Executive Agency", and the report by the Court of Auditors on the annual accounts of the Executive Agency for the financial year 2012, accompanied by the Executive Agency's replies to the Court's observations¹,

Whereas the observations in the Court of Auditors' report in relation to the financial year 2012 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 2012.

Done at Brussels,

For the Council

The President

¹ OJ C 365, 13.12.2013, p. 49.

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

The Council welcomes the Court's opinion that, in all material respects, the Executive Agency's annual accounts present fairly its financial position as at 31 December 2012 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of the Executive Agency's Financial Regulation and the accounting rules adopted by the Commission's accounting officer, and that the underlying transactions for that financial year are legal and regular. Nevertheless, some observations need to be made.

The Council urges the Executive Agency to comply with the international standards of internal control and to separate the Internal Audit Capability (IAC) and the *ex-post* verifications that are part of the internal control system, in order to ensure the independence of its Internal Audit function.

The Council also encourages the Executive Agency to pursue its efforts in addressing the failures detected by the Court in its recruitment procedures.

Draft COUNCIL RECOMMENDATION
of
on the discharge to be given to the Director
of the Executive Agency for Health and Consumers
in respect of the implementation of the budget
of the Executive Agency for Health and Consumers
for the financial year 2012

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Commission Implementing Decision 2013/770/EU of 17 December 2013 establishing the Consumers, Health and Food Executive Agency and repealing Decision 2004/858/EC¹,

Having regard to Council Regulation (EC) 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 programmes², 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 programmes³, and in particular Article 66, first paragraph, thereof,

¹ OJ L 341, 18.12.2013, p. 69.

² OJ L 11, 16.12.2004, p. 73.

³ OJ L 297, 22.9.2004, p. 6, as last amended by Commission Regulation (EC) No 651/2008 of 9 July 2008 (OJ L 181, 10.7.2008, p. 15).

Having examined the revenue and expenditure accounts for the financial year 2012 and the balance sheet at 31 December 2012 of the Executive Agency for Health and Consumers, hereinafter referred to as the "Executive Agency", and the report by the Court of Auditors on the annual accounts of the Executive Agency for the financial year 2012, accompanied by the Executive Agency's replies to the Court's observations¹,

Whereas the observations in the Court of Auditors' report in relation to the financial year 2012 call for a comment by the Council, which is annexed to this recommendation; whereas the Council stresses the importance it attaches to this comment 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 2012.

Done at Brussels,

For the Council

The President

¹ OJ C 365, 13.12.2013, p. 57.

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

The Council welcomes the Court's opinion that, in all material respects, the Executive Agency's annual accounts present fairly its financial position as at 31 December 2012 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of the Executive Agency's Financial Regulation and the accounting rules adopted by the Commission's accounting officer, and that the underlying transactions for that financial year are legal and regular. Nevertheless, one observation needs to be made.

The Council urges the Executive Agency to continue paying due attention to the respect of the budgetary principle of annuality and to avoid, as far as possible, any excessive carry-overs.

Draft COUNCIL RECOMMENDATION
of
on the discharge to be given to the Director
of the Trans-European Transport Network Executive Agency
in respect of the implementation of the budget
of the Trans-European Transport Network Executive Agency
for the financial year 2012

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Commission Implementing Decision 2013/801/EU of 23 December 2013 establishing the Innovation and Networks Executive Agency and repealing Decision 2007/60/EC amended by Decision 2008/593/EC¹,

Having regard to Council Regulation (EC) 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 programmes², 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 programmes³, and in particular Article 66, first paragraph, thereof,

¹ OJ L 352, 24.12.2013, p. 65.

² OJ L 11, 16.1.2003, p. 1.

³ OJ L 297, 22.9.2004, p. 6, as last amended by Commission Regulation (EC) No 651/2008 of 9 July 2008 (OJ L 181, 10.7.2008, p. 15).

Having examined the revenue and expenditure accounts for the financial year 2012 and the balance sheet at 31 December 2012 of the Trans-European Transport Network Executive Agency, hereinafter referred to as the "Executive Agency", and the report by the Court of Auditors on the annual accounts of the Executive Agency for the financial year 2012, accompanied by the Executive Agency's replies to the Court's observations¹,

Whereas the observations in the Court of Auditors' report in relation to the financial year 2012 call for a comment by the Council, which is annexed to this recommendation; whereas the Council stresses the importance it attaches to this comment 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 2012.

Done at Brussels,

For the Council

The President

¹ OJ C 365, 13.12.2013, p. 290.

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

The Council welcomes the Court's opinion that, in all material respects, the Executive Agency's annual accounts present fairly its financial position as at 31 December 2012 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of the Executive Agency's Financial Regulation and the accounting rules adopted by the Commission's accounting officer, and that the underlying transactions for that financial year are legal and regular. Nevertheless, one observation needs to be made.

The Council urges the Executive Agency to continue paying due attention to the respect of the budgetary principle of annuality and to avoid, as far as possible, any excessive carry-overs.

Draft COUNCIL RECOMMENDATION
of
on the discharge to be given to the Director
of the Research Executive Agency
in respect of the implementation of the budget
of the Research Executive Agency
for the financial year 2012

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Commission Implementing Decision 2013/778/EU of 13 December 2013 establishing the "Research Executive Agency" and repealing Decision 2008/46/EC¹,

Having regard to Council Regulation (EC) 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 programmes², 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 programmes³, and in particular Article 66, first paragraph, thereof,

¹ OJ L 346, 20.12.2013, p. 54.

² OJ L 11, 16.1.2003, p. 1.

³ OJ L 297, 22.9.2004, p. 6, as last amended by Commission Regulation (EC) No 651/2008 of 9 July 2008 (OJ L 181, 10.7.2008, p. 15).

Having examined the revenue and expenditure accounts for the financial year 2012 and the balance sheet at 31 December 2012 of the Research Executive Agency, hereinafter referred to as the "Executive Agency", and the report by the Court of Auditors on the annual accounts of the Executive Agency for the financial year 2012, accompanied by the Executive Agency's replies to the Court's observations¹,

Whereas the observations in the Court of Auditors' report in relation to the financial year 2012 call for a comment by the Council, which is annexed to this recommendation; whereas the Council stresses the importance it attaches to this comment 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 2012.

Done at Brussels,

For the Council

The President

¹ OJ C 365, 13.12.2013, p. 283.

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

The Council welcomes the Court's opinion that, in all material respects, the Executive Agency's annual accounts present fairly its financial position as at 31 December 2012 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of the Executive Agency's Financial Regulation and the accounting rules adopted by the Commission's accounting officer, and that the underlying transactions for that financial year are legal and regular. Nevertheless, one observation needs to be made.

The Council calls on the Executive Agency to pay due attention to the respect of the provisions laid down in the Financial Regulation and its Rules of Application concerning the subdelegation of powers of the Authorising Officer when making payment orders.

Draft COUNCIL RECOMMENDATION
of
on the discharge to be given to the Director
of the European Research Council Executive Agency
in respect of the implementation of the budget
of the European Research Council Executive Agency
for the financial year 2012

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Commission Implementing Decision 2013/779/EU of 17 December 2013 establishing the "European Research Council Executive Agency" and repealing Decision 2008/37/EC¹,

Having regard to Council Regulation (EC) 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 programmes², 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 programmes³, and in particular Article 66, first paragraph, thereof,

¹ OJ L 346, 20.12.2013, p. 58.

² OJ L 11, 16.1.2003, p. 1.

³ OJ L 297, 22.9.2004, p. 6, as last amended by Commission Regulation (EC) No 651/2008 of 9 July 2008 (OJ L 181, 10.7.2008, p. 15).

Having examined the revenue and expenditure accounts for the financial year 2012 and the balance sheet at 31 December 2012 of the European Research Council Executive Agency, hereinafter referred to as the "Executive Agency", and the report by the Court of Auditors on the annual accounts of the Executive Agency for the financial year 2012, accompanied by the Executive Agency's replies to the Court's observations¹,

Welcoming that the observations in the Court of Auditors' report in relation to the financial year 2012 do not call for any comment by the Council,

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 2012.

Done at Brussels,

For the Council
The President

¹ OJ C 365, 13.12.2013, p. 190.