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European Union

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"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 2014
– *Draft Council recommendations*

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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 2014

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.

Having examined the revenue and expenditure accounts for the financial year 2014 and the balance sheet as at 31 December 2014 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 2014, 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 2014 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 to 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 2014.

Done at Brussels,

For the Council
The President

¹ OJ C 409, 9.12.2015, p. 73.

**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 2014 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 that the underlying transactions for 2014 are legal and regular in all material respects. Nevertheless, one observation needs to be made.

As in previous years, the Council, while acknowledging the multiannual nature of its operations, calls on the Executive Agency to continue improving its financial programming and monitoring of the budget implementation in order to reduce the level of commitments carried over to the next financial year to the strict minimum, 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 Small and Medium-sized Enterprises
for the financial year 2014
in respect of the implementation of the budget
of the Executive Agency for Small and Medium-sized Enterprises
for the financial year 2014

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 18 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.

Having examined the revenue and expenditure accounts for the financial year 2014 and the balance sheet as at 31 December 2014 of the Executive Agency for Small and Medium-sized Enterprises, 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 2014, 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 2014 call for certain comments by the Council, which are annexed to this recommendation; whereas the Council stresses the importance it attaches to these 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 to 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 2014.

Done at Brussels,

For the Council
The President

¹ OJ C 409, 9.12.2015, p. 90.

**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 2014 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 that the underlying transactions for 2014 are legal and regular in all material respects. Nevertheless, some observations need to be made.

The Council notes with concern that at the end of 2013 the budgetary needs of the Executive Agency were overestimated and that a large part of the appropriations carried over from 2013 were cancelled in 2014. The Council, therefore, urges the Executive Agency to improve its financial programming.

Although the Executive Agency's initial budget was reduced in September 2014, the Council regrets that the Court detected a low implementation rate and high level of carry-overs and, while acknowledging that 2014 was a transitional year, the Council encourages the Executive Agency to improve its monitoring of the budget implementation, in order to reduce the level of commitments carried over to the next financial year to the strict minimum, in line with the budgetary principle of annuality.

Draft COUNCIL RECOMMENDATION
of
on the discharge to be given to the Director
of the Consumers, Health and Food Executive Agency
in respect of the implementation of the budget
of the Executive Agency for Health and Consumers
for the financial year 2014

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/EC](#)¹,

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, 16.1.2003, p. 1.

³ OJ L 297, 22.9.2004, p. 6.

Having examined the revenue and expenditure accounts for the financial year 2014 and the balance sheet as at 31 December 2014 of the Consumers, Health and Food 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 2014, 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 2014 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 discharge to be given in respect of that implementation,

HEREBY RECOMMENDS to 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 2014.

Done at Brussels,

For the Council
The President

¹ OJ C 409, 9.12.2015, p. 56.

**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 2014 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 that the underlying transactions for 2014 are legal and regular in all material respects. Nevertheless, one observation needs to be made.

The Council notes that a high level of commitment appropriations was carried over to 2015. The Council encourages the Executive Agency to continue improving its financial programming and monitoring of the budget implementation, in order to reduce the level of commitment appropriations carried over to the following financial year to the strict minimum, in line with the budgetary principle of annuality.

Draft COUNCIL RECOMMENDATION
of
on the discharge to be given to the Director
of the Innovation and Networks Executive Agency
for the financial year 2014
in respect of the implementation of the budget
of the Innovation and Networks Executive Agency
for the financial year 2014

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 as 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.

Having examined the revenue and expenditure accounts for the financial year 2014 and the balance sheet as at 31 December 2014 of the Innovation and Networks 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 2014, 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 2014 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 discharge to be given in respect of that implementation,

HEREBY RECOMMENDS to 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 2014.

Done at Brussels,

For the Council
The President

¹ OJ C 409, 9.12.2015, p. 362.

**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 2014 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 that the underlying transactions for 2014 are legal and regular in all material respects. Nevertheless, one observation needs to be made.

The Council, while acknowledging the multiannual character of the Executive Agency's tasks, calls on the Executive Agency to further improve its financial programming and budget implementation in order to reduce the level of carry-overs of appropriations to the following budgetary year to the strict minimum, in line with the budgetary principle of annuality.

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 2014

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.

Having examined the revenue and expenditure accounts for the financial year 2014 and the balance sheet as at 31 December 2014 of the Research 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 2014, accompanied by the Executive Agency's replies to the Court's observations¹,

Whereas the Council welcomes the fact that the observations in the Court of Auditors' report in relation to the financial year 2014 do not call for any comments,

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 to 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 2014.

Done at Brussels,

For the Council

The President

¹ OJ C 409, 9.12.2015, p. 379.

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 2014

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.

Having examined the revenue and expenditure accounts for the financial year 2014 and the balance sheet as at 31 December 2014 of the European Research Council 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 2014, 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 2014 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 to 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 2014.

Done at Brussels,

For the Council
The President

¹ OJ C 409, 9.12.2015, p. 247.

**COMMENT ACCOMPANYING THE DRAFT 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 2014 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 that the underlying transactions for 2014 are legal and regular in all material respects. Nevertheless, one observation needs to be made.

The Council regrets that the Court found weaknesses in the Executive Agency's asset management and urges the Executive Agency to take appropriate action with a view to keeping the Assets Register up to date, formalising the inventory procedures and providing sufficiently detailed information in the Executive Agency's guidelines on the capitalisation of internally developed intangible assets to ensure that a consistent approach is used.
