

# 2007 discharge: EU general budget, Section III, Commission

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**PURPOSE:** to present the Council recommendation on the discharge to be given to the executive agencies of the Commission in respect of the implementation of the budget for the financial year 2007.

**CONTENT:** in accordance with Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes (see [CNS/2000/0337](#)) and with Commission regulation (EC) No 1653/2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 (as last amended by Commission Regulation (EC) No 651/2008 of 9 July 2008), the Council is required to draw up recommendations to the European Parliament on a discharge to be given to the executive agencies.

Having analysed the reports drawn up by the Court of Auditors on the annual accounts of the following three executive agencies, the Council reached an agreement on the following recommendations to submit to the European Parliament:

1. with regard to the **Education, Audiovisual and Culture Executive Agency**, the Council examined the revenue and expenditure account for the financial year 2007 and the balance sheet at 31 December 2007, as well as the Court of Auditors' report on the annual accounts of the Agency, and recommends, in the light of its analysis, that the European Parliament grant discharge to the Director of the Executive Agency in respect of the implementation of the budget for the financial year 2007. It notes that EUR 5.6 million (83.1%) of the EUR 6.7 million in appropriations carried forward from 2006 to 2007 were used, that EUR 6.8 million in appropriations were carried forward from 2007 to 2008 and EUR 1.6 million were cancelled. 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. It 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;
2. with regard to the **Executive Agency for Competitiveness and Innovation**, the Council also examined the revenue and expenditure account for the financial year 2007 and the balance sheet at 31 December 2007, as well as the Court of Auditors' report on the annual accounts of the Executive Agency, and recommends, in the light of its analysis, that the European Parliament grant discharge to the Director of the Executive Agency in respect of the implementation of the budget for the financial year 2007. It notes that EUR 680 000 (70%) of the EUR 980 000 in appropriations carried forward from 2006 to 2007 were used, that EUR 2.1 million in appropriations were carried forward from 2007 to 2008 and EUR 770 000 were cancelled. 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. The Council also 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;

3. with regard to the **Executive Agency for Health and Consumers**, the Council also examined the revenue and expenditure account for the financial year 2007 and the balance sheet at 31 December 2007, as well as the Court of Auditors' report on the annual accounts of the Executive Agency, and recommends, in the light of its analysis, that the European Parliament grant discharge to the Director of the Executive Agency in respect of the implementation of the budget for the financial year 2007. It notes that EUR 560 000 (56%) of the EUR 1 million in appropriations carried forward from 2006 to 2007 were used, that EUR 1.51 million in appropriations were carried forward from 2007 to 2008 and EUR 140 000 were cancelled. 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, as is the case for the other two Executive Agencies, the Council calls on this 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.