2001 discharge: 6th, 7th and 8th European Development Funds EDF

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PURPOSE : to present the balance sheets and accounts of the 6th, 7th and 8th European Development Funds for the financial year 2001. CONTENT : the balance sheets and revenue and expenditure accounts were drawn up in accordance with the Financial Regulations applicable to the 6th, 7th and 8th EDFs. The relevant documents must be presented to the European Parliament, the Council and the Court of Auditors as provided for in Article 71 of the Financial Regulation applicable to the 7th EDF and Articles 66, 67 and 68 of the Financial Regulation applicable to the to the 8th EDF. The consolidated accounts of the 6th, 7th and 8th EDF is EUR 13.545.263.120 as opposed to EUR 15.186.554.430 at the end of 2000. These Financial Regulations stipulate that the accounts be kept according to the following principles: - Universality : all operations pertaining to each Fund are recorded. Each country has a separate record. There is a single treasury; - Justification : all operations are substantiated by supporting documents; - No set-off policy : there is no set-off between revenue and expenditure; - Calendar year : the accounts are kept by calendar year. All expenditure and revenue is registered according to the value date given on the bank statement. The balances thus established are not adjusted at the year-end; - Double-entry bookkeeping : each operation is registered to the debit of one or more accounts and to the credit of one or more accounts, so that the total amount registered on the debit side is equal to the total amount registered on the credit side; - Unity of currency : the accounts for the various EDFs are kept in euro. Assets denominated in currencies belonging to the euro zone are converted in accordance with the exchange rates fixed by the European Central Bank at 31 December 1998. The other currencies are converted at the rates in force on 31 December 2001; - Revenue : financial contributions are paid either in euro or, where Member States show due reason, in national currencies into special accounts opened with the treasuries of the Member States. The Commission makes transfers from the above accounts to operational accounts held in euro or a Member State's currency to meet the cash requirements of projects and programmes. In addition, the Member States' contributions for an EDF must be used up before the contributions relating to the following EDF are called in; - Expenditure : expenditure takes into account all payment orders executed by banks up to 31 December 2001. However, in the case of local expenditure in the ACP States and for those payments for which information was not communicated to the Commission's accounting departments before the end of the financial year, payments are based on the information received for the latest period prior to 31 December. The amounts of payments in question not included in the 2001 accounts are not considered to be material. Expenditure by delegations is not finally entered into the EDF accounts until validated by the authorising officer and the financial controller. Expenditure not yet validated is shown under the heading "expenditure to be regularised" in the balance sheet; - Payments on account/Advances : payments on account (any amount paid on the basis of supporting documents pending final payment) and advances paid within the framework of the implementation of the contracts are included in the expenditure of the year and do not appear under assets in the balance sheet. However, advances for study awards and advances for technical assistance are regarded as a receivable and consequently appear under assets in the balance sheet; - Recording of operations : EDF appropriations are not subject to any time limit. Once granted, they are available until they are used up or reassigned. Consequently, expenditure and revenue are booked at the time of payment or actual receipt. In addition, the financial statements are drawn up on the basis of the balances as at 31 December of each year without recourse to year-end adjustment; The obligation under the rules to present a balance sheet of the EDF's assets and liabilities means that the entitlements due from the Member States (mainly contributions for which payment has been deferred or interest on late payment) must be entered in the accounts. These headings are contained in the balance sheets for the various EDFs; - Single treasury : for reasons of efficiency, there is a single treasury for all the EDFs being implemented; this leads to operations between the various EDFs, which are balanced out in the liaison accounts between the various balance sheets.