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'I/A' ITEM NOTE

From: Budget Committee

To: Permanent Representatives Committee/Council

Subject: Council recommendations on the discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2021

- *Adoption*
- *Approval of a letter*

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COUNCIL RECOMMENDATION
of
on the discharge to be given to the Director
of the European Education and Culture Executive Agency (EACEA)¹
in respect of the implementation of the budget
of the European Education and Culture Executive Agency (EACEA)
for the financial year 2021

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/EC²,

Having regard to Commission Implementing Decision (EU) 2021/173 of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU³,

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 programmes⁴, and in particular Article 14(3) thereof,

¹ Successing the Education, Audiovisual and Culture Executive Agency (EACEA).

² OJ L 343, 19.12.2013, p. 46.

³ OJ L 50, 15.2.2021, p. 9.

⁴ 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, and in particular Article 66, first paragraph, thereof,

Having examined the revenue and expenditure accounts for the financial year 2021 and the balance sheet as at 31 December 2021 of the European Education and Culture Executive Agency (EACEA), 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 2021, accompanied by the Executive Agency's replies to the Court's observations²,

Whereas the observations in the Court of Auditors' report in relation to the financial year 2021 call for a certain 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 2021.

Done at Brussels,

*For the Council
The President*

¹ OJ L 297, 22.9.2004, p. 6.

² OJ C 412, 27.10.2022, p. 12.

COMMENT ACCOMPANYING
THE COUNCIL RECOMMENDATION ON THE DISCHARGE TO BE GIVEN TO THE
EUROPEAN EDUCATION AND CULTURE EXECUTIVE AGENCY (EACEA)

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 2021 and the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with the provisions of the Executive Agency's Financial Regulation, and that the underlying transactions for 2021 are legal and regular in all material respects. Nevertheless, one observation needs to be made.

The Council is concerned about the Court's observation on carry-overs of 2021 appropriations to 2022. The Council calls on the Executive Agency to continue improving its budget planning and its budget implementation and implementation cycles, while complying with the annuality principle of the budget.

COUNCIL RECOMMENDATION
of
on the discharge to be given to the Director
of the European Innovation Council and SME Executive Agency (EISMEA)¹
in respect of the implementation of the budget
of the Executive Agency for Small and Medium-sized Enterprises
for the financial year 2021

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/EC²,

Having regard to Commission Implementing Decision (EU) 2021/173 of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU³,

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 programmes⁴, and in particular Article 14(3) thereof,

¹ Successing the Executive Agency for Small and Medium-sized Enterprises (EASME).

² OJ L 341, 18.12.2013, p. 73.

³ OJ L 50, 15.2.2021, p. 9.

⁴ 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, and in particular Article 66, first paragraph, thereof,

Having examined the revenue and expenditure accounts for the financial year 2021 and the balance sheet as at 31 December 2021 of the European Innovation Council and SME Executive Agency (EISMEA), 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 2021, accompanied by the Executive Agency's replies to the Court's observations²,

Whereas the observations in the Court of Auditors' report in relation to the financial year 2021 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 2021.

Done at Brussels,

For the Council

The President

¹ OJ L 297, 22.9.2004, p. 6.

² OJ C 412, 27.10.2022, p. 12.

**COMMENTS ACCOMPANYING
THE COUNCIL RECOMMENDATION ON THE DISCHARGE TO BE GIVEN TO THE
EUROPEAN INNOVATION COUNCIL AND SMEs EXECUTIVE AGENCY (EISMEA)**

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 2021 and the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with the provisions of the Executive Agency's Financial Regulation, and that the underlying transactions for 2021 are legal and regular in all material respects. Nevertheless, some observations need to be made.

While acknowledging the Executive Agency's considerations in estimating its own budget, the Council regrets the Court's observation that the Executive Agency contravened the Financial Regulation in an inter-institutional procurement procedure for communication and event organisation services by not amending a buffer in the contract value.

The Council regrets in particular the recurrence of non-compliance events during the implementation of contracts, such as services provided before the contract was signed. The Council therefore invites the Executive Agency to introduce mitigating measures for internal control weaknesses in order to avoid similar risks in the future.

COUNCIL RECOMMENDATION
of
on the discharge to be given to the Director
of the Consumers, Health, Agriculture and Food Executive Agency
in respect of the implementation of the budget
of the Consumers, Health, Agriculture and Food Executive Agency
for the financial year 2021

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, 16.1.2003, p. 1.

³ OJ L 297, 22.9.2004, p. 6.

Having examined the revenue and expenditure accounts for the financial year 2021 and the balance sheet as at 31 March 2021 of the Consumers, Health and Food Executive Agency¹, 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 2021, accompanied by the Executive Agency's replies to the Court's observations²,

Whereas the Council welcomes the fact that the observations in the Court of Auditors' report in relation to the financial year 2021 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 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 2021.

Done at Brussels,

For the Council
The President

¹ On 1 April 2021, the Consumers, Health, Agriculture and Food Executive Agency (Chafea) assets and liabilities were taken over by the European Health and Digital Executive Agency (HaDEA).

² OJ C 412, 27.10.2022, p. 12.

COUNCIL RECOMMENDATION
of
on the discharge to be given to the Director
of the European Climate, Infrastructure and Environment Executive Agency (CINEA)¹
in respect of the implementation of the budget
of the Innovation and Networks Executive Agency
for the financial year 2021

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/EC²,

Having regard to Commission Implementing Decision (EU) 2021/173 of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU³,

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 programmes⁴, and in particular Article 14(3) thereof,

¹ Successing the Innovation and Networks Executive Agency (INEA).

² OJ L 352, 24.12.2013, p. 65.

³ OJ L 50, 15.2.2021, p. 9.

⁴ 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, and in particular Article 66, first paragraph, thereof,

Having examined the revenue and expenditure accounts for the financial year 2021 and the balance sheet as at 31 December 2021 of the European Climate, Infrastructure and Environment Executive Agency (CINEA), 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 2021, accompanied by the Executive Agency's replies to the Court's observations²,

Whereas the Council welcomes the fact that the observations in the Court of Auditors' report in relation to the financial year 2021 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 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 2021.

Done at Brussels,

For the Council

The President

¹ OJ L 297, 22.9.2004, p. 6.

² OJ C 412, 27.10.2022, p. 12.

COUNCIL RECOMMENDATION
of
on the discharge to be given to the Director
of the European Research Executive Agency¹
in respect of the implementation of the budget
of the European Research Executive Agency
for the financial year 2021

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/EC²,

Having regard to Commission Implementing Decision (EU) 2021/173 of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU³,

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 programmes⁴, and in particular Article 14(3) thereof,

¹ Successing the Research Executive Agency (REA).

² OJ L 346, 20.12.2013, p. 54.

³ OJ L 50, 15.2.2021, p. 9.

⁴ 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, and in particular Article 66, first paragraph, thereof,

Having examined the revenue and expenditure accounts for the financial year 2021 and the balance sheet as at 31 December 2021 of the the European 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 2021, accompanied by the Executive Agency's replies to the Court's observations²,

Whereas the Council welcomes the fact that the observations in the Court of Auditors' report in relation to the financial year 2021 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 2021.

Done at Brussels,

For the Council
The President

¹ OJ L 297, 22.9.2004, p. 6.

² OJ C 412, 27.10.2022, p. 12.

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 2021

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 Commission Implementing Decision (EU) 2021/173 of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU²,

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 programmes³, and in particular Article 14(3) thereof,

¹ OJ L 346, 20.12.2013, p. 58.

² OJ L 50, 15.2.2021, p. 9.

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, and in particular Article 66, first paragraph, thereof,

Having examined the revenue and expenditure accounts for the financial year 2021 and the balance sheet as at 31 December 2021 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 2021, accompanied by the Executive Agency's replies to the Court's observations²,

Whereas the observations in the Court of Auditors' report in relation to the financial year 2021 call for a certain 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 2021.

Done at Brussels,

For the Council

The President

¹ OJ L 297, 22.9.2004, p. 6.

² OJ C 412, 27.10.2022, p. 12.

COMMENT ACCOMPANYING
THE COUNCIL RECOMMENDATION ON THE DISCHARGE TO BE GIVEN TO
THE EUROPEAN RESEARCH COUNCIL EXECUTIVE AGENCY (ERCEA)

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 2021 and the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with the provisions of the Executive Agency's Financial Regulation, and that the underlying transactions for 2021 are legal and regular in all material respects. Nevertheless, one observation needs to be made.

The Council takes note of the Court's finding with regard to taxes associated to the rental contract of the premises, for which the appropriations were insufficiently budgeted to cover the legal obligations arising. The Council acknowledges the Executive Agency's reply and encourages the Executive Agency to further improve its internal controls in order to ensure full compliance with the applicable rules.

COUNCIL RECOMMENDATION
of
on the discharge to be given to the Director
of the European Health and Digital Executive Agency
in respect of the implementation of the budget
of the European Health and Digital Executive Agency
for the financial year 2021

THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to Commission Implementing Decision (EU) 2021/173 of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU¹,

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,

¹ OJ L 50, 15.2.2021, p. 9.

² 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, and in particular Article 66, first paragraph, thereof,

Having examined the revenue and expenditure accounts for the financial year 2021 and the balance sheet as at 31 December 2021 of the European Health and Digital Executive Agency², 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 2021, accompanied by the Executive Agency's replies to the Court's observations³,

Whereas the observations in the Court of Auditors' report in relation to the financial year 2021 call for a certain 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 2021.

Done at Brussels,

For the Council
The President

¹ OJ L 297, 22.9.2004, p. 6.

² On 1 April 2021, the European Health and Digital Executive Agency (HaDEA) also took over the assets and liabilities of the Consumers, Health, Agriculture and Food Executive Agency (Chafea).

³ OJ C 412, 27.10.2022, p. 12.

COMMENT ACCOMPANYING
THE COUNCIL RECOMMENDATION ON THE DISCHARGE TO BE GIVEN TO
THE EUROPEAN HEALTH AND DIGITAL EXECUTIVE AGENCY (HaDEA)

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 2021 and the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with the provisions of the Executive Agency's Financial Regulation, and that the underlying transactions for 2021 are legal and regular in all material respects. Nevertheless, one observation needs to be made.

The Council takes note of the Court's observation with regard to funds carried forward for office rental expenditure, and lack of legal commitment while occupying the premises. The Council acknowledges the justification and work of the Executive Agency for remedial measures, and invites the Executive Agency to further strengthen its budget management in order to avoid such cases in the future.
