REPORT on the annual accounts of the Education, Audiovisual and Culture Executive Agency for the financial year 2011, together with the Agency’s replies (2012/C 388/07)

INTRODUCTION

1. The Education, Audiovisual and Culture Executive Agency (hereinafter “the Agency”), which is located in Brussels, was established by Commission Decision 2009/336/EC (1). The Agency’s task is to manage programmes decided by the Commission in the educational, audiovisual and cultural fields, including undertaking the detailed implementation of technical projects (2).

INFORMATION IN SUPPORT OF THE STATEMENT OF ASSURANCE

2. The audit approach taken by the Court comprises analytical audit procedures, direct testing of transactions and an assessment of key controls of the Agency’s supervisory and control systems. This is supplemented by evidence provided by the work of other auditors (where relevant) and an analysis of management representations.

STATEMENT OF ASSURANCE

3. Pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union, the Court has audited the annual accounts (3) of the Agency, which comprise the “financial statements” (4) and the “reports on the implementation of the budget” (5) for the financial year ended 31 December 2011, and the legality and regularity of the transactions underlying those accounts.

The Management’s responsibility

4. As authorising officer, the Director implements the revenue and expenditure of the budget in accordance with the financial rules of the Agency, under his own responsibility and within the limits of the authorised appropriations (6). The Director is responsible for putting in place (7) the organisational structure and the internal management and control systems and procedures relevant for drawing up final accounts (8) that are free from material misstatement, whether due to fraud or error, and for ensuring that the transactions underlying those accounts are legal and regular.

The Auditor’s responsibility

5. The Court’s responsibility is to provide, on the basis of its audit, the European Parliament and the Council (9) with a statement of assurance as to the reliability of the annual accounts of the Agency and the legality and regularity of the transactions underlying them.

6. The Court conducted its audit in accordance with the IFAC International Standards on Auditing and Codes of Ethics and the INTOSAI International Standards of Supreme Audit Institutions. These standards require that the Court plans and performs the audit to obtain reasonable assurance as to whether the annual accounts of the Agency are free of material misstatement and the transactions underlying them are legal and regular.

7. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the accounts and the legality and regularity of the transactions underlying them. The procedures are selected based on the auditor’s judgment, including an assessment of the risks of material misstatement of the accounts and of material non-compliance of the underlying transactions with the requirement of the legal framework of the European Union, whether due to fraud or error. In assessing those risks, the auditor considers internal controls relevant to the preparation and fair presentation of the accounts and supervisory and control systems implemented to ensure legality and regularity of underlying transactions, in order to design audit procedures that are appropriate in the

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(2) The Annex summarises the Agency’s competences and activities. It is presented for information purposes.
(3) These accounts are accompanied by a report on the budgetary and financial management during the year which gives further information on budget implementation and management.
(4) The financial statements include the balance sheet and the economic outturn account, the cash-flow table, the statement of changes in net assets and a summary of the significant accounting policies and other explanatory notes.
(5) The budget implementation reports comprise the budget outturn account and its annex.
(8) The Annex summarises the Agency’s competences and activities. It is presented for information purposes.
circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made, as well as evaluating the overall presentation of the accounts.

8. The Court considers that the audit evidence obtained is sufficient and appropriate to provide a basis for the opinions set out below.

Opinion on the reliability of the accounts

9. In the Court’s opinion, the Agency’s Annual Accounts (10) present fairly, in all material respects, its financial position as of 31 December 2011 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer (11).

Opinion on the legality and the regularity of the transactions underlying the accounts

10. In the Court’s opinion, the transactions underlying the annual accounts of the Agency for the financial year ended 31 December 2011 are legal and regular in all material respects.

This Report was adopted by Chamber IV, headed by Dr Louis GALEA, Member of the Court of Auditors, in Luxembourg at its meeting of 11 September 2012.

For the Court of Auditors
Vítor Manuel da SILVA CALDEIRA
President

(10) The Final Annual Accounts were drawn up on 8 June 2012 and received by the Court on 2 July 2012. The Final Annual Accounts, consolidated with those of the Commission, are published in the Official Journal of the European Union by 15 November of the following year. These can be found on the following website http://eca.europa.eu or http://eacea.ec.europa.eu/index_en.php.

(11) The accounting rules adopted by the Commission’s accounting officer are derived from International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants or, in their absence, International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.
### Areas of Union competence deriving from the Treaty

*(Articles 165(1), 166(1), 167(1) and 173(1) of the Treaty)*

<table>
<thead>
<tr>
<th>Competences of the Agency</th>
<th>Collection of information</th>
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<tbody>
<tr>
<td>Objectives</td>
<td>The European Union shall contribute to the development of quality education.</td>
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<td></td>
<td>The European Union shall implement a vocational training policy.</td>
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<td>The European Union shall contribute to the flowering of the cultures of the Member States.</td>
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<td></td>
<td>The European Union and the Member States shall ensure that the conditions necessary for the competitiveness of the Union's industry exist.</td>
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### Competences of the Agency

*(Commission Decision 2009/336/EC)*

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<th>Objectives</th>
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<tr>
<td>In the framework of the education, culture and industry policies, numerous measures have been taken to promote education, vocational training, audiovisual, culture, youth and active citizenship in the European Union. The main objectives of these measures are to reinforce social cohesion and to contribute to competitiveness, to economic growth and to an ever closer union amongst the people of Europe.</td>
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<td>These measures include a variety of programmes.</td>
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<td>The Agency is responsible for managing certain strands of these programmes e.g. &quot;Lifelong learning&quot;, &quot;Culture&quot;, &quot;Youth in Action&quot;, &quot;Europe for Citizens&quot;, &quot;MEDIA&quot;, &quot;Erasmus Mundus&quot; and &quot;Tempus&quot;. In this respect, it implements the aid of the Union, except for programme evaluation, strategic studies and any other task which requires discretionary powers in translating political choices.</td>
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### Tasks

— To manage, throughout their duration, the specific projects entrusted to it in the context of the implementation of programmes of the Union and to perform the necessary checks to that end, by adopting the relevant decisions where the Commission has empowered it to do so. |
| — To adopt the instruments of budget implementation for revenue and expenditure and to carry out, where the Commission has empowered it to do so, the operations necessary for the management of the programmes of the Union and, in particular, those linked to the award of grants and contracts. |
| — To gather, analyse and pass on to the Commission all the information needed to guide the implementation of the programmes of the Union. |
| — To implement, at the level of the Union, the network of information on education in Europe (Eurydice) for the collection, analysis and dissemination of information and the production of studies and publications. |

### Governance

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<th>Steering Committee</th>
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<tr>
<td>Composition</td>
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<td>Comprises five members appointed by the European Commission.</td>
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<td>Duties</td>
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<td>It adopts the Agency’s annual work programme after approval by the European Commission. In addition, it adopts the administrative budget of the Agency and its annual activity report.</td>
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<tr>
<td>Director</td>
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<tr>
<td>Appointed by the European Commission.</td>
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External Audit

Court of Auditors.

Internal control

The Internal Audit Capability.

The Commission’s Internal Audit Service.

Discharge authority

Parliament, acting on a recommendation from the Council.

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<th>Resources made available to the Agency in 2011 (2010)</th>
<th>Budget</th>
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<tr>
<td>The 2011 administrative budget of the Agency has reached 50 (49) million euro (100 % financed by the general budget of the European Union).</td>
<td>The Agency has managed 621 (600) million euro related to the programmes and projects delegated by the Commission to the Executive Agency.</td>
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**Staff as at 31 December 2011**

Temporary staff: 102 (102) posts for temporary staff in the establishment plan

Post occupied: 102 (97)

Contract staff: 336 (330) contract staff

Posts occupied: 331 (315)

Total staff: 433 (412) posts occupied undertaking the following tasks:

Operational: 352

Administrative: 81

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<th>Products and services in 2011 (2010)</th>
<th>Communication</th>
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<tr>
<td>— Organisation of three Info days, update of EVE (¹) database with project results, organisation of events in cooperation with parent Directorates-General (DGs).</td>
<td>— Organisation of a satisfaction survey of applicants and beneficiaries from 2007 to 2010. Analysis of the results per programme has been concluded and the follow-up actions have been launched in 2011.</td>
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<td>— Kick-off meetings were organised in Brussels for project coordinators and partners.</td>
<td>— The EACEA brochure is available in three languages (EN, FR, DE).</td>
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**Selections**

— 28 calls for proposals were published as well as 1 call for tenders.

— The corresponding detailed fact sheets (or descriptions) of selected proposals (compendia) were published on the Agency’s website.

— Management of more than 12 000 received proposals.

— Selection of more than 3 800 projects and 420 Erasmus University Charters.

**Monitoring visits**

— More than 400 follow-up meetings (on site or in Brussels) with project participants were organised in order to monitor the project implementation.
Simplification measures

— The use of e-forms has been extended to cover more actions, corresponding to 75% of all applications.

— Simplified contracting has been introduced (decisions instead of grant agreements) for some actions.

— A calculation based on lump sums has been redefined and introduced for more actions.

— Remote expert briefings and remote evaluations of projects have been used for the evaluations of more actions.

Cooperation with parent DGs

— Organisation of four Steering Committee meetings.

— Periodic coordination meetings on the delegated programmes with the parent DGs operational Directors (three meetings per year).

— Assistance to the parent DGs in the preparation of the next generation of programmes.

— Providing information on programme implementation to the Commission on request.

Audits

119 audits were closed, 105 new audits were contractualised.

Contracts and projects: 4,579 contracts were signed, 4,589 projects were closed.

(1) Electronic platform for the dissemination and exploitation of results of projects supported by programmes managed by the European Commission in the fields of Education, Training, Culture, Youth and Citizenship

Source: Information supplied by the Agency.
THE AGENCY'S REPLY

The Agency has taken note of the Court's report.