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TRIBUNAL DE CUENTAS EUROPEO
EVROPSKÝ ÚČETNÍ DVŮR
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EUROOPA KONTROLLIKODA
ΕΥΡΩΠΑΪΚΟ ΕΛΕΓΚΤΙΚΟ ΣΥΝΕΔΡΙΟ
EUROPEAN COURT OF AUDITORS
COUR DES COMPTES EUROPÉENNE
CÚIRT INIÚCHÓIRÍ NA HEORPA



CORTE DEI CONTI EUROPEA
EIROPAS REVĪZIJAS PALĀTA
EUROPOS AUDITO RŪMAI

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IL-QORTI EWROPEA TAL-AWDITURI
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EUROPEISKA REVISIONSRÄTTEN

Report on the annual accounts
of the Education, Audiovisual and Culture Executive Agency
for the financial year 2010

together with the Agency's replies

INTRODUCTION

1. The Education, Audiovisual and Culture Executive Agency (hereinafter "the Agency"), which is located in Brussels, was set up by Commission Decision 2005/56/EC of 14 January 2005¹. The Agency manages programmes decided by the Commission in the educational, audiovisual and cultural fields, including undertaking the detailed implementation of technical projects².
2. The Agency's 2010 administrative budget was 49 million euro, compared with 47,7 million euro the previous year. The number of staff employed by the Agency at the end of the year was 412, as compared with 414 the previous year.

STATEMENT OF ASSURANCE

3. Pursuant to the provisions of Article 287(1), second subparagraph, of the Treaty on the Functioning of the European Union, the Court has audited the annual accounts³ 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 2010, and the legality and regularity of the transactions underlying those accounts.

¹ OJ L 24, 27.1.2005, p. 35.

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 *inter alia* an account of the rate of implementation of the appropriations, with summary information on the transfers of appropriations among the various budget items.

⁴ The financial statements include the balance sheet and the economic outturn account, the cash-flow table, the statement of changes in capital and the annex to the financial statements, which includes a description of the main accounting policies and other explanatory information.

⁵ The budget implementation reports comprise the budget outturn account and its annex.

4. This Statement of Assurance is addressed to the European Parliament and the Council in accordance with Article 14 of Council Regulation (EC) No 58/2003⁶.

The Director's responsibility

5. 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 appropriations⁷. The Director is responsible for putting in place⁸ the organisational structure and the internal management and control systems and procedures relevant for drawing up final accounts⁹ 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 Court's responsibility

6. The Court's responsibility is to provide, on the basis of its audit, 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.

7. The Court conducted its audit in accordance with the IFAC and ISSAI¹⁰ International Auditing Standards and Codes of Ethics. Those standards require the Court to comply with ethical requirements and to plan and perform the audit

⁶ OJ L 11, 16.1.2003, p. 5.

⁷ Article 25 of Commission Regulation (EC) No 1653/2004 (OJ L 297, 22.9.2004, p. 10).

⁸ Article 29 of Regulation (EC) No 1653/2004.

⁹ The rules concerning the presentation of the accounts and accounting by the Agencies are laid down in chapter 1 of Title VI of Regulation (EC) No 1653/2004 as last amended by Regulation (EC) No 651/2008 (OJ L 181, 10.7.2008, p. 15).

¹⁰ International Federation of Accountants (IFAC) and International Standards of Supreme Audit Institutions (ISSAI).

so as to obtain reasonable assurance as to whether the accounts are free of material misstatement and whether the underlying transactions are legal and regular.

8. The Court's audit involves performing procedures to obtain audit evidence of the amounts and disclosures in the accounts and of the legality and regularity of the transactions underlying them. The procedures selected, including its assessment of the risks of material misstatement of the accounts or of illegal or irregular transactions, whether due to fraud or error, depend on its audit judgement. In making those risk assessments, internal controls relevant to the entity's preparation and presentation of accounts are considered in order to design audit procedures that are appropriate in the circumstances. The Court's audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the accounts.

9. The Court believes 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

10. In the Court's opinion, the Agency's Annual Accounts¹¹ fairly present, in all material respects, its financial position as of 31 December 2010 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation.

¹¹ The Final Annual Accounts were drawn up on 30 May 2011 and received by the Court on 1 July 2011. 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 www.europa.eu/agencies/executive_agencies/eacea/index_en.htm.

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

11. In the Court's opinion, the transactions underlying the annual accounts of the Agency for the financial year ended 31 December 2010 are, in all material respects, legal and regular.

This Report was adopted by Chamber IV, headed by Mr Igors LUDBORŽS, Member of the Court of Auditors, in Luxembourg at its meeting of 6 September 2011.

For the Court of Auditors

Vítor Manuel da SILVA CALDEIRA
President

Education, Audiovisual and Culture Executive Agency**Competences and activities**

<p>Areas of Union competence deriving from the Treaty on the Functioning of the European Union</p> <p><i>(Articles 165(1), 166(1), 167(1) and 173(1) of the Treaty)</i></p>	<p>The European Union shall contribute to the development of quality education.</p> <p>The European Union shall implement a vocational training policy.</p> <p>The European Union shall contribute to the flowering of the cultures of the Member States.</p> <p>The European Union and the Member States shall ensure that the conditions necessary for the competitiveness of the Union's industry exist.</p>
<p>Competences of the Agency</p> <p><i>(Commission Decision 2005/56/EC)</i></p>	<p><u>Objectives</u></p> <p>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.</p> <p>These measures include a variety of programmes.</p> <p>The Agency is responsible for managing certain strands of these programmes [e.g. "Lifelong learning", "Culture", "Youth in Action", "Europe for Citizens", "MEDIA", "Erasmus Mundus" (including the new "Action 2") and "Tempus"]. 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.</p> <p><u>Tasks</u></p> <ul style="list-style-type: none"> – To manage, throughout their duration, the specific projects entrusted to it in the context of the implementation of programmes of the Union. – 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.
<p>Governance</p>	<p><u>1 – Steering Committee</u></p> <p>Comprises five members appointed by the European Commission.</p> <p>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.</p> <p><u>2 - Director</u></p> <p>Appointed by the European Commission.</p> <p><u>3 - External audit</u></p> <p>Court of Auditors.</p> <p><u>4 - Discharge authority</u></p> <p>Parliament, acting on a recommendation from the Council.</p>

<p>Resources made available to the Agency in 2010 (2009)</p>	<p><u>Budget</u></p> <p>The 2010 administrative budget of the Agency has reached 49 (47,7) million euro (100 % financed by the general budget of the European Union).</p> <p>The Agency has managed 600 (629) million euro related to the programmes and projects delegated by the Commission to the Executive Agency.</p> <p><u>Staff as at 31 December 2010</u></p> <p><i>Temporary staff:</i></p> <p>102 (99) posts for temporary staff in the establishment plan</p> <p>Post occupied: 97 (91)</p> <p><i>Contract staff:</i></p> <p>330 (327) contract staff</p> <p>Posts occupied:</p> <p>315 (323)</p> <p><i>Total staff:</i> 412 (414) posts occupied undertaking the following tasks:</p> <p>Operational: 339</p> <p>Administrative: 73</p>
<p>Products and services in 2010 (2009)</p>	<p><u>Communication</u></p> <ul style="list-style-type: none"> - Organisation of 3 Info days, update of EVE¹ database with project results, organisation of events in cooperation with parent Directorates-General (DGs). - 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 will be launched in 2011. - A new EACEA brochure was made available in 3 languages (EN, FR, DE). - Kick-off meetings were organised in Brussels for project coordinators and partners. <p><u>Selections</u></p> <ul style="list-style-type: none"> - 29 calls for proposals were published as well as 5 calls for tenders. - The corresponding detailed fact sheets of selected proposals were published on the Agency's website. - Management of 11.000 received proposals. - Selection of 4.000 projects and 420 Erasmus University Charters. <p><u>Monitoring visits</u></p> <ul style="list-style-type: none"> - More than 400 follow-up meetings with project participants were organised in order to monitor the project implementation. <p><u>Simplification measures</u></p> <ul style="list-style-type: none"> - e-forms were made available for most actions/ strands of Lifelong Learning, Culture, Citizenship, Erasmus Mundus and Tempus programmes. - Simplified contracting has been introduced (decisions instead of grant agreements) for some actions (MEDIA, eTwinning and Eurydice). - A calculation based on lump sums has been introduced for Eurydice and the calculation has been redefined for Citizenship. - Reporting and budgeting processes (US/Canada and Tempus) have been simplified. <p><u>Cooperation with parent DGs</u></p>

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.

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| | <ul style="list-style-type: none">- Organisation of 4 Steering Committee meetings.- Periodic coordination meetings on the delegated programmes with the parent DGs operational Directors (4 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. |
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Audits

- 105 audits were closed, 118 new audits were contractualised.
- Contracts and projects: 4 556 contracts were signed, 4 340 projects were closed.

Source: Information supplied by the Agency.

THE AGENCY'S REPLY

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