

REPORT**on the annual accounts of the Executive Agency for the Public Health
Programme for the financial year 2007 together with the Agency's replies**

(2008/C 311/13)

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INTRODUCTION

1. The Executive Agency for the Public Health Programme (hereinafter referred to as the Agency) was set up by Commission Decision 2004/858/EC ⁽¹⁾. The Agency was established for a period beginning on 1 January 2005 and ending on 31 December 2010 for the management of Community actions in the field of public health. The Agency acquired its financial independence on 15 December 2006 for the implementation of the 2007 budget appropriations.

2. Table 1 summarises the Agency's competences and activities. Key information taken from the financial statements drawn up by the Agency for the financial year 2007 are presented in Tables 2, 3 and 4.

STATEMENT OF ASSURANCE

3. This Statement is addressed to the European Parliament and the Council in accordance with Article 14 of Council Regulation (EC) No 58/2003 of 19 December 2002 ⁽²⁾; it was drawn up following an examination of the Agency's accounts, as required by Article 248 of the Treaty establishing the European Community.

4. The Agency's accounts for the financial year ended 31 December 2007 ⁽³⁾ were drawn up by its Director, pursuant to Article 14 of Council Regulation (EC) No 58/2003, and sent to the Court, which is required to give a Statement of Assurance on their reliability and on the legality and regularity of the underlying transactions.

5. The Court conducted its audit in accordance with the IFAC and ISSAI ⁽⁴⁾ International Auditing Standards and Codes of Ethics, in so far as these are applicable in the European Community

context. The audit was planned and performed to obtain reasonable assurance that the accounts are reliable and that the underlying transactions are legal and regular.

6. The Court has thus obtained a reasonable basis for the Statement set out below:

Reliability of the accounts

The Agency's accounts for the financial year ended 31 December 2007 are, in all material respects, reliable.

Legality and regularity of the underlying transactions

The transactions underlying the Agency's annual accounts, taken as a whole, are legal and regular.

The observation which follows does not call the Court's Statement into question.

OBSERVATION

7. The Agency's final budget for 2007 amounted to 4,1 million euro. Almost all of the budget was committed: carry-overs amounted to 1,5 million euro. A significant proportion of the carry-overs for administrative expenditure was either not justified by legal obligations or concerned goods and services which, to a large extent, will be delivered in 2008. This situation was at odds with the principle of annuality.

This report was adopted by the Court of Auditors in Luxembourg at its meeting of 18 September 2008.

For the Court of Auditors
Vítor Manuel da SILVA CALDEIRA
President

⁽¹⁾ OJ L 369, 15.12.2004, p. 73.

⁽²⁾ OJ L 11, 16.1.2003, p. 5.

⁽³⁾ These accounts were drawn up on 5 June 2008 and received by the Court on 27 June 2008.

⁽⁴⁾ International Federation of Accountants (IFAC) and International Standards of Supreme Audit Institutions (ISSAI).

Table 1
Public Health Executive Agency (PHEA) — Luxembourg

Areas of Community competence deriving from the Treaty	Competences of the Agency as defined in Commission decision (2004/858/EC) of 15 December 2004		Governance	Resources made available to the Agency in 2007	Products and services supplied in 2007
<p>A high level of human health protection shall be ensured in the definition and implementation of all Community policies and activities.</p> <p>Community action, which shall complement national policies, shall be directed towards improving public health, preventing human illness and diseases, and obviating sources of danger to human health. Such action shall cover the fight against the major health scourges, by promoting research into their causes, their transmission and their prevention, as well as health information and education.</p> <p>The Community shall complement the Member States' action in reducing drugs-related health damage, including information and prevention.</p> <p>(Article 152 of the Treaty)</p>	<p>Objectives</p> <p>Under the Community programme in the field of public health established by Decision No 1786/2002/EC (framework Decision), the Agency is entrusted with implementing the tasks concerning Community aid under the programme, except for programme evaluation, monitoring of legislation, or any other action which could come under the exclusive competence of the Commission.</p>	<p>Tasks</p> <p>(a) managing all the phases in the lifetime of specific projects, in the context of implementing the programme on public health, on the basis of Decision No 1786/2002/EC and of the work plan provided for in that Decision and adopted by the Commission, and the necessary checks to that end, taking the relevant decisions where the Commission has empowered it to do so;</p> <p>(b) adopting the instruments of budget execution for revenue and expenditure and carrying out, where the Commission has empowered it to do so, all the operations necessary for the management of the Community programme and, in particular, those linked to the award of contracts and grants;</p> <p>(c) providing logistical, scientific and technical support, in particular by organising technical meetings (management of expert working groups), preparatory studies, seminars or conferences.</p>	<p>1. Steering Committee</p> <p>Comprises five members appointed by the European Commission. The members of the Steering Committee are appointed for two years. 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>2. Director</p> <p>Appointed by the European Commission for four years.</p> <p>3. External audit</p> <p>The European Court of Auditors.</p> <p>4. Discharge Authority</p> <p>The European Parliament following a recommendation from the Council.</p>	<p>The Agency's administrative budget for 2007 amounted to 4,1 million euro.</p> <p>On 31 December 2007, the Agency counted 28 statutory staff members, of which 8 temporary agents and 20 contract agents.</p>	<p>At 31.12.2007, 121 PHP Call 2005 (32), 2006 (87) and 2007 (2) grant agreements were concluded representing a total EC funding of 71 667 322,3 euro.</p> <p>Negotiations on 66 projects of the Public Health Programme (PHP) call 2007 were ongoing.</p> <p>The organisation of 23 technical meetings of expert groups where more than 1 300 experts were invited.</p> <p>100 % of the Public Health programme budget has been committed. Also the PHP payment appropriations were 100 % used (at the exception of the earmarked revenue received in December 2007). The total of PHP payments amounted to 18 million euro.</p> <p>78 payment transactions (18 million euro) and 89 commitments (PHP Call 2006 (87 projects) and Call 2007 (2 projects) were made.</p>

Source: Information supplied by the Agency.

Table 2

Public Health Executive Agency (PHEA) — Luxembourg — implementation of the budget for the financial year 2007

(1 000 euros)

Revenue			Expenditure									
Source of revenue	Revenue entered in the final budget for the financial year	Revenue collected	Allocation of expenditure	Final budget appropriations					Appropriations carried over from previous financial year(s)			
				entered	committed	paid	carried over	cancelled	entered	paid	cancelled	
Own revenue			Title I Staff									
Community subsidies	4 100	5 097		1 978	1 898	1 808	90	80	168	36	132	
Other subsidies			Title II Administration	885	874	319	554	11	308	221	87	
Other revenue			Title III Operating activities	1 238	1 188	324	864	50	521	301	220	
Total	4 100	5 097	Total	4 100	3 959	2 451	1 508	141	997	558	439	

NB: Any discrepancies in totals are due to the effects of rounding.

Source: Information supplied by the Agency — This table summarises the data supplied by the Agency in its financial statements.

Table 3

**Public Health Executive Agency (PHEA) — Luxembourg — Economic outturn account
for the financial year 2007**

	(1 000 euro)
	2007
Operating revenue	
Community subsidies	4 607
Total (a)	4 607
Operating expenditure	
Staff expenditure	1 739
Fixed asset-related expenditure	45
Other administrative expenditure	1 472
Total (b)	3 256
Economic result for the year (c = a – b)	1 351

NB: As the Agency became fully autonomous on 15 December 2006, 2007 is the first year of disclosure of the financial statements.

Source: Data supplied by the Agency. This table summarises the data provided by the Agency in its annual accounts: these accounts are drawn up on an accrual basis.

Table 4

Public Health Executive Agency (PHEA) — Luxembourg — Balance sheet at 31 December 2007

	(1 000 euro)
	2007
Non-current assets	
Intangible assets	40
Tangible assets	84
Current assets	
Cash and cash equivalents	3 235
Total assets	3 359
Current liabilities	
Provisions for risks and charges	29
Accounts payable	1 979
Total liabilities	2 008
Net assets	1 351
Reserve	
Accumulated surplus/deficit	0
Economic result for the year	1 351
Net capital	1 351

NB: As the Agency became fully autonomous on 15 December 2006, 2007 is the first year of disclosure of the financial statements.

Source: Data supplied by the Agency. This table summarises the data provided by the Agency in its annual accounts: these accounts are drawn up on an accrual basis.

THE AGENCY'S REPLIES

7. The Agency takes note of the Court's comments. However, it has to be underlined that for some cases the Agency felt obliged to foresee carry-overs in order to fulfill legal or contractual provisions (e.g. the rent to be paid in advance). In the future, the Agency will fully respect the principle of annuality.
