



2017

FINAL ACCOUNTS

Financial Statements & Budgetary Reports

**Consumers, Health
Agriculture and Food
Executive Agency**



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CERTIFICATION OF THE ACCOUNTS & STATEMENT OF THE DIRECTOR

Certification of the accounts

The annual accounts of the Consumers, Health, Agriculture and Food Executive Agency (CHAFEA) for the year 2017 have been prepared in accordance with the Title IX of the Financial Regulation applicable to the general budget of the European Union, the accounting rules adopted by the Commission's Accounting Officer and the accounting principles and methods adopted by myself.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of CHAFEA in accordance with Article 68 of the Financial Regulation.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show CHAFEA's assets and liabilities and the budgetary implementation.

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of CHAFEA.

Statement of the Director

I, the undersigned, Director of the Consumers, Health Agriculture and Food Executive Agency (CHAFEA), in my capacity as Authorising Officer:

- Declare that the information contained in this report gives a true and fair view.
- State that I have reasonable assurance that the resources assigned to the activities described in the Annual Activity Report have been used for their intended purpose and in accordance with the principles of sound management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my own judgment and on the information at my disposal, such as the results of the self-assessment, ex-ante controls, the observations of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.

- Confirm that I am not aware of anything not reported here which could harm the interests of the institution.

Luxembourg, 11/06/2018

Ms Orsolya KUTI
Accounting Officer

Ms Véronique WASBAUER
Director

PART I

1. Introduction

The Consumers, Health, Agriculture and Food Executive Agency (CHAFEA) is the result of the transformation of the Executive Agency for Health and Consumers (EAHC), following the Commission implementing Decision of 17 December 2013 (Ref. 2013/770/EU).

*By the Commission Implementing Decision of 17 December 2014 (Ref. 2014/927/EU), the Consumers, Health and Food Executive Agency has been transformed into the **Consumers, Health, Agriculture and Food Executive Agency – CHAFEA** from 1st January 2014 to 31 December 2024 and has also been made responsible for implementing the information provision and promotion measures concerning agricultural products implemented in the internal market and third countries.*

PROGRAMMES DELEGATED TO THE AGENCY OVER THE PERIOD 2008-2014

By its decision (2008/544/EC) of 20th June 2008, the Commission established the Executive Agency for Health and Consumers (EAHC), with the mandate to manage the following programmes in the field of Public Health, Consumers and Food Safety Measures:

- *Public Health Programme 2003-2008* – *Decision N° 1786/2002/EC,*
- *Public Health Programme 2008-2013* – *Decision No 1350/2007/EC,*
- *Consumers Programme 2007-2013* – *Decision No 1926/2006/EC,*
- *Food Safety Training Measures* – *Regulation (EC) No 882/2004 and Directive 2000/29/EC.*

Under the Community programmes mentioned above, EAHC has been responsible for implementing the following tasks as defined in the delegation act adopted on 9th September 2008¹ :

(a) Managing all the phases of the cycle of projects (for monitoring and dissemination purposes, the Agency shall take the necessary steps to create a database of projects or to continue an existing one, incorporating project descriptions and final results);

(b) Monitoring projects implemented under these programmes and measures, including the necessary checks;

(c) Collecting, processing and distributing data and in particular, compiling, analysing and transmitting to the Commission all information required to guide the implementation of Community programmes and measures, promote coordination and synergy with other programmes of the Communities, the Member States or international organisations;

(d) Organising meetings, seminars, talks and training measures;

(e) Helping to evaluate the programme's impacts in particular the annual and/or mid-term evaluation of the implementation of the programmes, and implementing follow-up actions on evaluations decided by the Commission;

(f) Disseminating the results of the information operations planned and implemented by the Commission;

¹ Commission Decision of 9/09/2008- delegating powers to the EAHC

- (g) Producing overall control and supervision data;
- (h) Participating in preparatory work on financing decisions.

The lifetime of the Executive Agency for Health and Consumers was extended to 31/12/2015.

Furthermore, the Commission decided in 2012 to extend the mandate of the Agency and to increase the volume of appropriations entrusted to it through a new amendment:

as a consequence, the Agency is responsible for the management of the part of the actions provided for in the Commission Decision C(2012) 1548, adopting a work programme for the funding of projects in the area of external trade relations, including access to the markets for non-European Union countries and initiatives in the field of trade-related assistance². This extension also covers the delegation of actions pertaining to the *Food Security* Thematic Programme as provided for in Regulation EC/1905/2006 of the European Parliament and the Council establishing a Financing Instrument for Development Cooperation.

By its implementing Decision of 17 December 2013 (Ref. 2013/770/EU) the European Commission established the Consumers, Health and Food Executive Agency – Chafea - which replaced and succeeded the Executive Agency for Health and Consumers from 1st January 2014 to 31st December 2024.

The Commission Decision of 17 December 2013 entrusts the Agency with the implementation of the following programmes and actions:

- The Consumer Programme 2014-2020,
- The Public Health Programme 2014-2020,
- The Food Safety Training measures covered by Directive 2000/29/EC and Regulation (EC) No 882/2004.

The Agency is also entrusted with the implementation of the legacy of following programmes and actions:

- Public Health Programme 2003-2008 – Decision N° 1786/2002/EC,
- Public Health Programme 2008-2013 – Decision No 1350/2007/EC,
- Consumer Programme 2007-2013 – Decision No 1926/2006/EC,
- Food Safety Training Measures – Regulation (EC) No 882/2004 and Directive 2000/29/EC,

- By its Decision of 19 December 2014, the Commission extended the mandate of the Agency, by delegating to it the performance of tasks linked to the **Implementation of information provision and promotion measures concerning agricultural products implemented in the internal market and in third countries and food safety training measures covered by Decision C(2014) 1269, comprising, in particular, the implementation of appropriations entered in the general budget of the Union.**

- This Decision resulted in the creation in the Agency, in 2015, of an additional Unit, the Promotion of Agricultural Products Unit, which has been entrusted with the management of the new delegated Programme.

² and its actions announced under the heading "Trade-related assistance, training and capacity building actions towards developing countries

2. Annual Accounts

2.1. Legal Basis

The 2017 financial statements and reports on budget implementation of CHAFEA were prepared in conformity with:

- **Commission Regulation (EC) N° 651/2008 of 9 July 2008** - amending Regulation (EC) No 1653/2004 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 programmes - in absence of expressly laid down rules, the general financial regulation shall be applied [*Commission Delegated Regulation (EU) N°1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union, Council Regulation (EU, Euratom) N°966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation No 1605/2002*].
- **Accounting Rules** (based on IPSAS³) adopted by the Accounting Officer of the Commission in December 2004 last update in December 2015.
- **Council Regulation N° 58/2003 of 19 December 2002** - laying down the statute for Executive Agencies to be entrusted with certain tasks in the management of Community Programmes.
- **Commission Decision of 20 June 2008** – amending Decision 2004/858/EC in order to transform the ‘Executive Agency for the Public Health programme into the Executive Agency for Health and Consumers’.
- **Commission Implementing Decision (2012/740/EU) of 29 November 2012** - [amending Decision 2004/858/EC, as amended by Decision 2008/544/EC, establishing the Executive Agency for Health and Consumers in application of Council Regulation (EC No 58/2003), notably, extending the scope of the Agency activities to training measures outside the EU Member States.
- **Commission Implementing Decision of 17 December 2013 (2013/770/EU)** establishing the Consumers, Health and Food Executive Agency and repealing Decision 2004/858/EC.
- **Commission Decision of 19 December 2013 [C(2013)/9505/final]** delegating powers to the Consumers, Health and Food Executive Agency with a view to performance of tasks linked to the implementation of Union programmes in the field of consumers, health and food comprising, in particular, implementation of appropriations entered in the general budget of the Union.
- **Commission Implementing Decision of 17 December 2014 (2014/927/EU)** amending Implementing Decision 2013/770/EU, in order to transform the ‘Consumers, Health and Food Executive Agency’ into the ‘Consumers, Health, Agriculture and Food Executive Agency’.
- **Commission Decision of 19 December 2014 [C(2014)9594/final]** amending Decision C(2013) 9505 as regards the delegation of powers to the Consumers, Health, Agriculture and Food Executive Agency with a view to the performance of tasks linked to the implementation of information provision and promotion measures concerning agricultural products implemented in the internal market and in third countries and food safety training measures covered by Decision C(2014) 1269, comprising, in particular, the implementation of appropriations entered in the general budget of the Union.

³ International Public Sector Accounting Standards

2.2. Agency Accounts

The accounts of the Agency comprise the general accounts and the budget accounts, kept in euros on the basis of the calendar year. Each one of them follows different principles.

- **General accounts**

The general accounts allow the preparation of financial statements: balance sheet, economic outturn, statement of changes in net capital, cash flow table and annex to the financial statements.

The accounts are prepared on accruals basis, which means that the effects of the transactions or events are recognised when they occur, independently of the moment of the corresponding payment or receipt.

The purpose of the financial statements is to provide information on the financial situation, performance, as well as changes in the financial situation of the Agency.

- **Budget accounts**

The budget accounts give a detailed picture of the implementation of the budget.

They are modified cash accounts. This means that, as in any cash system, any payment made or revenue received is recorded. In addition, and, as opposed to the pure cash accounts, the budget accounts allow for the recording of payments appropriations carried over.

They enable the preparation of the budget implementation reports as well as the budgetary outturn account.

Both accounts have different purposes. Therefore, they are complementary.

Discrepancies between the general accounts and the budget accounts are explained via a reconciliation of items as presented in point 6 of Part II.

The accounts must be compliant with the rules, accurate, comprehensive and present a true and fair view of the financial position and also of the budget execution.

3. Accounting Principles

In conformity with Article 53 of the Commission Regulation EC N°1653/2004, the financial statements are prepared according to the following generally accepted accounting principles:

- Going concern basis,
- Prudence,
- Consistent accounting methods,
- Comparability of information,
- Materiality,
- No netting,
- Reality over appearance,
- Accrual-based accounting.

4. Consolidation

According to Article 57 of the Commission Regulation EC N°1653/2004, CHAFEA's annual accounts are consolidated with the Commission's annual accounts.

5. Accounting Rules

The accounting rules applied by the Agency must allow the consolidation with the Commission's accounts in accordance with § 11 of the Commission Regulation EC N°1653/2004 and Articles 152, 208 of the Financial Regulation.

Additional information is provided in the notes to financial statements (Section II.5).

PART II - Financial Statements

1. BALANCE SHEET - 31/12/2017

	NOTES	2017	2016
ASSETS			
I. NON-CURRENT ASSETS		55 399	70 389
Intangible fixed assets	5.2	1 310	1 914
Computer software		108 246	108 246
Accumulated depreciation		-106 936	-106 332
Tangible fixed assets	5.2	54 089	68 475
Plant, Machinery and Equipment		5 785	5 785
Furniture		27 868	25 730
Computer hardware		195 163	181 978
Other Fixtures and fittings		54 517	54 517
Acc. Depreciation		-229 243	-199 535
II. CURRENT ASSETS	5.3	2 960 416	2 205 053
Short term pre-financing		0	0
Exchange short-term receivables	5.3.1	77 153	62 800
Amounts receivable-Public Bodies		6 712	1 056
Receivables from Consolidated Entities, Personnel and Others		70 441	61 744
Accrued income	5.3.2	-292	173
Cash and cash equivalents	5.3.3	2 883 555	2 142 081
BCEE / ING		2 883 555	2 142 081
TOTAL ASSETS		3 015 815	2 275 442
LIABILITIES			
III. CURRENT LIABILITIES	5.4	1 651 303	1 687 422
Short -Term provisions	5.4.3	0	0
Short -Term provision		0	0
Payables to consolidated entities	5.4.1	888 825	562 202
Pre-financing Subsidy – Commission		888 650	556 605
Other amounts payable to Consolidated Entities		175	5 596
Other amounts payable	5.4.2	87 671	80 518
Suppliers		69 382	2 107
Others amounts payable		18 289	78 411
Accrued charges and deferred income	5.4.4	674 806	1 044 701
Accrued Charges – Non consolidated entities		403 912	614 456
Accrued Charges -Consolidated Entities		270 894	430 246
TOTAL LIABILITIES		1 651 303	1 687 422
CAPITAL (NET ASSETS/LIABILITIES)	5.5	1 364 512	588 020
Accumulated Results from previous years		588 020	722 863
Adjustment to result of previous years		46 230	0
Economic result of the year		730 262	-134 842
TOTAL CAPITAL		1 364 512	588 020
TOTAL LIABILITIES+CAPITAL		3 015 815	2 275 442

2. STATEMENT OF FINANCIAL PERFORMANCE
31/12/2017

	NOTES	2017	2016
OPERATING REVENUE (A)			
Total non-exchange revenue registered by the Agency	5.6	8 825 310	8 232 841
Subsidy received from the European Commission	5.6.1	9 713 960	8 789 446
Subsidy to be reimbursed in n+1		-888 650	-556 605
Other non-exchange revenue		0	0
Total exchange revenue registered by the Agency			
Financial income			
Reversal of provisions			
Other exchange revenue			
OPERATING / ADMINISTRATIVE EXPENSES (B)=C+D+E+F	5.7	8 050 280	8 365 858
Staff expenditure (C)	5.7.1	4 777 288	4 316 256
Staff costs		4 205 972	3 866 650
Pension & Unemployment Temp		0	5 087
Social security		49 720	38 852
Staff Perquisites and Social Activities		107 115	98 206
Allowances		414 482	307 461
Fixed assets related expenses (D)	5.7.2	30 312	33 280
Depreciation of intangible fixed assets		604	1 197
Depreciation of tangible fixed assets		29 708	32 083
Other administrative expenses (E)	5.7.3	3 286 488	4 016 322
Rent Land & Buildings		978 453	970 923
Office Supplies and Maintenance		294 389	200 018
Communication & Publication		-65 470	151 132
Transport & Insurance		-4 000	2 622
Recruitment costs		-7 516	10 318
Training costs		33 533	1 479
Missions		175 204	124 241
Experts and related expenditure		-82 305	317 068
Goods & Services internal procurement		1 337 244	971 824
Expenses with consolidated entities		626 955	1 266 698
Short term provision for risk and liabilities (F)	5.4.3 /5.7.4	0	0
SURPLUS FROM OPERATING ACTIVITIES (G)=A-B		731 221	-133 017
Financial operations expenses	5.7.5	-959	-1 826
Real exchange gains	5.7.6	0	0
ECONOMIC RESULT FOR THE YEAR		730 262	-134 842

3. CASHFLOW TABLE (Indirect Method)

31/12/2017

EUR

	2017	2016
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus from operating activities	730 262	-134 842
ADJUSTMENTS	26 534	321 767
Adjustment of previous years' surplus	46 230	
Amortization/Depreciation	30 312	-59 725
Increase/(decrease) in short term provisions for risk and liabilities	0	-
Increase/(decrease) in short term pre-financing	0	-
Decrease/(increase) in short term receivables	-11 873	-56 810
Decrease/(increase) in short term receivables related with consolidated entities	-2 016	-167
Increase/(decrease) in accounts payable	-203 390	56 645
Increase/(decrease) in liabilities related to consolidated entities	167 271	381 824
NET CASHFLOW FROM OPERATING ACTIVITIES	756 796	186 925
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of intangible and tangible assets	-15 322	35 923
NET CASHFLOW FROM INVESTING ACTIVITIES	-15 322	35 923
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS		
	741 474	222 848
Cash and cash equivalents at the beginning of the year	2 142 081	1 919 233
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	2 883 555	2 142 081

4. STATEMENT OF CHANGES IN NET ASSETS

31/12/2017

EUR

	Reserves		Accumulated surplus/deficit	Economic Outturn	Total Net assets/liabilities
	Fair value reserve	Other reserve			
Balance as of 31/12/2016	-	-	722 863	-134 842	588 020
Allocated result	-	-	-134 842	134 842	0
Other movements	-	-	46 230	-	46 230
Economic outturn of the year 2017				730 262	730 262
Balance as of 31/12/2017	-	-	634 250	730 262	1 364 512

5. Notes to the financial statements

5.1 Currency and basis conversion

Functional and reporting currency: financial statements are presented in euros.

Transactions and balances: some payments were executed in foreign currency and gave origin to gains and losses duly booked in gains or losses for exchange rates.

5.2 Intangible and tangible assets

- Intangible and tangible assets are registered at historical amount, which comprises their purchase price (including any import duties and non-refundable purchase taxes), and any directly attributable expenditure on preparing the asset for its intended use.
- The materiality threshold used is 420 euros for assets acquired until 31.12.2016 and 700 euros afterwards, which means that below this amount the expense is booked as a charge of the exercise. The increase in the threshold was initiated by DG BUDG with no retroactive effect on the previously owned assets.⁴
- Repairs and maintenance are charged to the economic period in which they have occurred.
- Depreciation is calculated since the month of the asset reception in the accounting system (SAP) and booked monthly, using the straight-line method to allocate the costs to the residual values over the estimated useful lives. There may be a time difference between physical receipt and receipt in the ABAC environment due to time requirement of the workflow.
- The Agency does not have any financial lease.

The depreciation rates used are listed below:

Assets	Depreciation rate
Intangible assets – Computer Software	25%
Plant, machinery and equipment	25%
Furniture	10% , 25%
Fixtures and fittings	10%
Computer hardware	25%

- **Intangible net fixed assets – 1 310 €**

During the year 2017, the software licenses remained the same.

- **Tangible net assets – 54 089 €**

During 2017, the purchase of fixed assets was related to furniture (2 138 €) and computer hardware (13 184 €).

In 2017, the IT Asset management service of CHAFEA initiated the retirement of a number of assets which were completely depreciated and therefore had a zero-residual value. 143 items (of which 31 were capitalized assets) including PCs, screens, copiers, printers, mobile phone, plus non-material (e.g. software licenses) were retired. The retirement procedure was launched in ABAC ASSETS in 2017, but was only finalised in 2018. However, in order to present the accounts fairly, the table summarizing the Fixed Assets data already contains the effect of the withdrawal, under the titles Disposals. The net value of the transaction is zero, as all items have depreciated fully.

⁴ Ares(2016)7043077 - 19/12/2016 - Instruction of the Accounting Officer - Decision to increase the fixed asset capitalisation threshold for the European Commission and the European External Action Service

The remaining net amount corresponds to assets purchased in the previous years and/or transferred from the Commission in 2007.

The variation of fixed assets is presented below:

FIXED ASSETS					
EUR					
INTANGIBLE ASSETS					
	Computer Software 21001	Total			
Gross book value at 31-12-2016	108 246	108 246			
Additions of the year 2017	0	0			
Disposals	-103 060	-103 060			
Transfer between headings	-	-			
Other changes	-	-			
1.Gross carrying amounts 31-12-2017	5 186	5 186			
Accumulated amortization at 31-12-2017	106 332	106 332			
Amortization of the year	604	604			
Write-back of amortization	0	0			
Disposals	-103 060	-103 060			
Impairment	-	-			
Write-back of impairment	-	-			
Transfer between headings	-	-			
2.Accumulated amortization and impairment at 31-12-2017	3 876	3 876			
A.NET BOOK VALUE (1-2)					
	1 310	1 310			
EUR					
TANGIBLE ASSETS					
	Plant, Machinery and Equipment 23001	Furniture and Rolling 24001	Computer Hardware 24101	Other Fixtures & Fittings 24201	Total
Gross book value at 31-12-2016	5 785	25 730	181 978	54 517	268 010
Additions	0	2 138	13 184	0	15 322
Disposals	-	0	-30 474	0	-30 474
Transfer between headings	-	-	-	-	-
Other changes	-	-	-	-	-
1.Gross carrying amounts 31-12-2017	5 785	27 868	164 668	54 517	252 858
Accumulated amortization at 31-12-2016	5 785	13 526	148 246	31 978	199 535
Amortization of the year	0	1 811	20 190	7 707	29 708
Write-back of amortization	-	-	-	-	-
Disposals	-	-	-30 474	-	-30 474
Impairment	-	-	-	-	-
Write-back of impairment	-	-	-	-	-
Transfer between headings	-	-	-	-	-
2.Accumulated amortization and impairment at 31-12-2017	5 785	15 337	137 962	39 685	198 769
B.NET BOOK VALUE (1-2)					
	0	12 531	26 726	14 832	54 089
TOTAL NET FIXED ASSETS (A+B)					
					55 399

- **Internally generated intangible assets**

The accounting treatment of internally developed intangible assets follows both IPSAS 31 Intangible assets and the International Accounting Standards (IAS 38).

In the context of the above rules and additional guidelines from the Accounting Officer of the European Commission, the threshold for capitalisation of internally generated intangible assets has been set at 100,000 € in CHAFEA.

In 2017 there were no developments but only maintenance, support and minor improvements.

For the improvement of the new Programme Database that started in 2016, some days were used under the administrative budget; most of the tasks were paid under the operational budget.

5.3 Current Assets

5.3.1 Short Term Receivables – 77 153 €

This item includes amounts to be received from other institutions concerning the monthly difference of balance that occurs when there are inter-institutional transfers.

It also concerns amounts to be recovered from the staff such as: allowances regularisation, amounts to be retained in staff salaries concerning nursery ('crèche / garderie').

5.3.2 Accrued income – (-292 €)

The amount corresponds to an accrual of a paid RO not linked to the ABAC system. PHE.92 (292€) was issued in EUR, but paid in PLN, for which ING, following its own policy and unknown to CHAFEA, opened a new PLN subaccount. The exchange and receipt of the amount on the main EUR account was done in 2018. CHAFEA modified its agreement with the bank, which prohibits the opening of subaccounts for the receipt of foreign currency payments (all such payments are immediately exchanged and booked on the EUR account).

5.3.3 Cash & Equivalents – 2 883 555 €

The amount included in this item, corresponds to the bank balance at 31/12/2017, in the bank accounts held by CHAFEA at ING BELGIUM.

The amount comprises of the balance of the EUR account of CHAFEA held at ING (2 883 286 €), plus a manual entry to account for the payment of PHE.92 in PLN, booked to a newly opened subaccount, not linked to the ABAC system (269€ at the December 2017 rate). The exchange loss of 23 € is also accrued.

The Agency does not manage any petty cash.

5.4 Liabilities

5.4.1 Payables to consolidated entities – 888 825 €

This item includes liabilities towards consolidated entities as detailed below:

- **Balance of the annual subsidy to be reimbursed – 888 650 €**

The amount of 888 650 € corresponds to the balance to be reimbursed to the Commission in 2018. It is composed by the part of the 2017 subsidy that remains after the payments made in 2017 and the payments appropriations carried-over to 2018 (alias the non-used appropriations of 2017).

It also includes the amount to be reimbursed concerning the non-used part of payment appropriations carried over from 2016 to 2017.

According to article 18 n°3 of the Commission Decision C (2008) 4943 of 09/09/2008 the amount shall be recovered by the Commission when the accounts are closed. The details of calculation are presented in the Budget outturn table (Section III.1).

- **Other amounts payable to consolidated entities – 175 €**

This figure corresponds to amounts to be paid to other consolidated institutions and organisations (European Commission, Agencies, and European Parliament). The open amount has already been paid and is debited and included under the amount receivable under consolidated Entities in the Short term receivables. Consequently, the result in the balance sheet is zero.

5.4.2 Other amounts payable – 87 671 €

This item is made up of other payables (invoices received from suppliers and paid until the end of year), including amounts to be paid to the staff. One balance sheet account comprising the amounts deducted from the salaries in relation to crèche invoices and phone usage, containing items dating back to 2010, was cleared (-80.869 €, due to audit comments).

5.4.3 Accrued charges and deferred income – 674 806 €

This item concerns the expenses for invoices not received until 31/12/2017, but nevertheless booked in charges according to the principle of accrual-based accounting.

The services were provided, the goods were received and the events took place in 2017, but the invoices or expense notes were not received until the end of the year.

The amounts were estimated according to the nature of each expense:

- Services (IT, Service Level Agreements - SLA, Consultants, Audits): pro-rata temporis, % of completion if known or reasonably estimated,
- Furniture, office supplies, drinks: goods receipts/orders,
- Meetings of experts: estimated costs (cost declarations).

It includes as well, an estimation of the holidays not taken until 31/12/2017. According to the principle of accrual-based accounting, the cost related to the days not taken must be recognised during the year in which the services occurred. The amount was calculated on the basis of daily gross salary.

Below, is the detail of the accruals booked at year end 2017:

Accrued charges (EUR)	674 806
49055000 Accrued Charges	403 912
Office Supplies & maintenance	3 298
Communication & publication	77 538
Experts & Related Expenditure	22 490
IT Costs operational external costs	143 288
Other External service provider (non- IT services)	49 784
Expenses with other consolidated entities	8 490
Staff costs (excluding ENDS and other experts)	43 511
Staff (holidays not taken)	55 514

49055900-Accrued Charges- Consolidated Entities	270 894
DG DIGIT	2 941
DG HR	27 407
PMO	33 977
OIL	38 104
CdT	168 465

5.5 Capital – 1 364 512 €

The capital amount of 1 364 512 € is composed by the accumulated and adjusted economic results from previous years (634 250 €) and by the economic result of 2017 (730 262 €).

The economic result of the year is different from the budgetary result due the differences between the general accounts and the budgetary accounts. Additional information concerning the reconciliation between both accounts is provided in Table 6 of Part II.

The economic result can be decomposed as follows:

Economic Result 2017 a)= RAL 2017-RAL 2016+Accruals 2017-Accruals 2016-Open Invoices 2017+Open invoices 2016+Capital Expenditure-Depreciations and provisions 2017

a) Difference between the carry-forwards of n+1 and n (RAL = Reste à Liquidier), adjusted by accruals, depreciations, provisions, capital expenditure and open invoices.

5.6 Operating revenue – 8 825 310 €

5.6.1 Subsidy

- **Subsidy received from the European Commission for 2017: 9 713 960 €**

This amount concerns the subsidy received for 2017 from the European Commission to cover operating expenditure.

The contribution by program was split as follows (including 2.73% of EFTA Participation to the Public Health and to the Consumers Programmes):

- Public Health Programme: **4 311 700 €**
- Consumers Programme: **1 732 260€**
- Better Training for Safer Food: **1,170,000 €**
- Promotion of Agricultural Products: **2 500 000 €**

- **Subsidy to be reimbursed: 888 650 €**

This amount will be reimbursed to the European Commission in 2018. It results from the non-executed budget for 2017, as well as from the cancelled payment appropriations from 2016.

The net revenue of 8 825 310 € results from the difference between the total subsidy received and the amount to be returned in 2018 (888 650 €). There was no other revenue received during the year which should be included in the calculation of the net revenue.

5.7 Operating/Administrative expenditure

5.7.1 Staff Expenditure – 4 777 288 €

This item includes staff costs (basic salary, allowances, social security, pension, insurances) with Temporary and Contract Agents and costs incurred with staff perquisites and social activities such as: school bus, contribution to nursery ('crèche/garderie').

5.7.2 Fixed assets related expenses – 30 312 €

This item includes the depreciation for the year of the intangible and tangible fixed assets. The amount is calculated using the straight-line method at the aforementioned depreciation rates. The depreciations are booked monthly starting at the asset reception month. Details are shown in section 5.2 of Part II.

5.7.3 Other Administrative Expenses – 3 286 489 €

This item includes the remaining operating costs as detailed below:

- **Rent Land and Buildings – 978 453 €**

This item corresponds the expensed amounts in the rent and charges of the Drosbach building regarding the year 2017 (operating lease). It also includes the cost of extension of archive space.

- **Office supplies & Maintenance, IT equipment under the capitalisation threshold – 294 389 €**

This item corresponds to expensed amounts in office supplies, furniture. It includes as well, equipment maintenance. It also includes the acquisition cost of IT equipment under the capitalisation threshold (420€ until 2016, 700 € after), which are thus considered as pure expenses.

- **Communication, Publications & Translations – (-65 470 €)**

This item includes charges related to: translations, publications, communication services including services provided by (or through) the Commission (DG DIGIT). This amount also includes small amounts of costs related to transport and insurance incurred in 2017. The amount that was reversed in the cut off accounting entry of 2016 in 2017 is higher than the expenses of 2017 and this has as a result a negative total.

- **Recruitment costs – (-7 516 €)**

This item includes the costs concerning travel (and daily allowances if applicable) reimbursed to candidates who came for job interviews in the Agency. The amount that reversed in the cut off accounting entry of 2016 in 2017 is higher than the expenses of 2017 and this has as a result a negative total.

- **Training costs – 33 533€**

This item includes the costs related to training provided by the Commission services (DG HR, DG BUDG, DG DIGIT and third parties.

- **Missions – 175 204 €**

This item includes the expenses concerning the missions of staff: travel costs, hotel, daily allowances, etc.

- **Experts and related expenditure – (-82 305) €**

This item includes the amounts related to experts (daily allowances, travel costs), the reimbursement of travel expenses to participants in meetings organised by CHAFFEA in the context of the Programmes (Public Health Programme, Consumer Programme and Better Training for Safer Food Initiative), as well as expenses incurred by the evaluators of calls for proposals, project reviewers and ex-post evaluators.

- **Goods, services and internal procurement – 1 337 244 €**

This item includes several services such as interim, IT services, consultants, audits and others.

- **Expenses with consolidated entities – 626 955 €**

This item includes all expenses with consolidated entities regarding annual fees linked to the Service Legal Agreement with the Commission Paymaster Office (PMO), DG HR and for the medical service.

5.7.4 Short-term provisions

No short-term provision was booked in 2017.

5.7.5 Bank charges – 776 €

This item includes the amounts debited from the Agency's bank account by the account holders (BCEE and ING), which correspond to the cost of transactions done on the account during the year 2017.

5.7.6 Real exchange gains and losses – (-183 €)

There is a total small amount of 241 € of Exchange loses and a total small amount of 58€ Exchange gains.

5.8 Off balance sheet accounts – contingent liabilities and commitments for future funding – 1 949 020 €

According to EC Accounting Rule no 10, the term contingent is used for liabilities and assets which are not recognised because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Agency's contingent liabilities in the meaning of this rule correspond to the outstanding potential payment obligations of the Agency ("Reste à Liquidier" – R.A.L.) after deduction of all eligible expenses that have been already booked in the Economic Outturn Account. The corresponding total amount as at end December 2017 was 1 949 020 €, which represents unconsumed budgetary commitments which have been carried forward to the subsequent year.

These commitments correspond to an amount of 506 271 € of accrued charges for 2017 already registered in liabilities for 2017 and an estimated amount of 1 442 749 € for which budgetary commitments have been registered but which do not impact the 2017 accruals-based accounting.

6. RECONCILIATION OF THE ECONOMIC RESULT WITH THE BUDGET RESULT

<i>EUR</i>			
	Sign +/-	2017	2016
Economic result (Economic Outturn)	+/-	730 262	-134,842
Adjustment for accrual items (items not in the budgetary result but included in the economic result)			
A Adjustments for Accrual Cut-off n-1	-	-1 044 701	-809,370
B Adjustments for Accrual Cut-off n (i.e. accrued charges minus accrued income)	+	674 514	1,037,419
C Unpaid invoices at year end but booked in charges (class 6)	+	5 045	3,210
D Depreciation of intangible and tangible fixed assets	+	30 312	33,280
E Provisions	+	0	0
F Recovery Orders issued in 2017 in class 7 and not yet cashed	-	-5 599	0
G Pre-financing given in previous year and cleared in the year	+	0	0
H Payments made from carry-over of payment appropriations	+	1 212 763	1,245,649
I Invoices booked in previous year	+/-	0	0
J Other adjustments against balance sheet	+/-	-16 334	0
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)			
K Asset acquisitions (less unpaid amounts)	-	-15 322	-57,082
L Pre-financing remaining open as at 31/12/N	+	888 650	556,605
M Budgetary recovery orders issued before 2013 and cashed in the year	+	0	0
N Payment appropriations carried over to N+1	-	-1 949 020	-1,567,023
P Cancellation of unused carried over payment appropriations from previous year	+	377 765	248,706
Total		888 508	556,552
Budgetary result (Budgetary Outturn)		888 650	556 605
Including amount of exchange rate differences		-183	
Delta not explained		-42	53

As previously explained, the results of the general accounts and the budget accounts are different, due to the different approach between the two accounting systems.

For the year 2017, the Economic result is 730 262 €, while the Budgetary result is 888 650 €.

While the budgetary accounts give a picture of the budget implementation based on the principle of cash modified⁵, the general accounts⁶ provide information about the financial position, performance and changes in capital.

The differences between the Economic and the Budgetary results for 2017 exercise can be explained as follows:

- A) Reversal of Accruals 2016 -1 044 701 € Costs charged in 2016 considering that the transactions or events occurred in 2016 but for which the payments were done in 2017;
- B) Accruals 2017 +674 514 € Costs charged in 2017 exercise considering that the transactions or events occurred in 2017, nevertheless the payments will be done in 2018.

⁵ This means that the expenses or revenues are recorded when an in- or outflow occurs. The appropriations carried over are also recorded.

⁶ This means that the effects of the transactions or events are recognised when they occur, independently of the moment of the payment or receipt.

This amount also includes the provision booked in the general accounts to cover the holidays not taken by staff in 2017. It is not considered as an expense in the budgetary accounts, since no outflow occurred;

- C) Outstanding invoice(s) at year end 2017 :
The amount of outstanding/unpaid invoices at 31.12.2017 is 5 045 €;
- D) Depreciation 30 312 € In general accounts, the cost to be charged to the exercise corresponds to the depreciation of assets;
- E) Provisions – No provision was booked in 2017;
- F) Recovery Order issued in 2017 in class 7 and not yet cashed of a total amount of an amount of 5 599€;
- G) No pre-financing given in 2016 and cleared in 2017;
- H) The amount 1 212 763 € has to be adjusted to the economic outturn since the impact on charges was registered in 2017, while the impact on budget accounts occurred in 2017. For details please refer to Budget Implementation Reports (section III.2).
- I) No invoices booked in previous year in 2017;
- J) Other adjustments against the balance sheet – 16 334 € Following a finding from ECA, two balance sheet accounts containing payments to the crèche and deductions from the salaries of the parents concerned were cleared against the cost account.
- K) Asset acquisitions – 15 322 € This amount has to be adjusted since the economic result includes the depreciations, without taking into account the related payments. Please refer to paragraph D);
- L) Pre-financing open at 31/12/2017 + 888 650 € This amount is adjusted to the economic result since it is not considered as revenue when determining the economic outturn. Moreover, this amount has to be returned to the Commission so that it is treated as a liability, while in budgetary accounts it is considered as revenue.
- M) There was no budgetary recovery orders issued before 2017 and cashed in the year 2017.
- N) Payments appropriations of 2017 carried over to 2018 – 1 949 020 € This amount is intended to cover the commitments of 2017 carried over to 2018. It is recorded in budgetary accounts, but not in general accounts. For details please refer to Budget Implementation Reports (section III.2);
- P) Non-used carried over payments appropriations from 2016 + 377 765 € This amount corresponds to the non-used payment appropriations carried over from 2016 to 2017 (137.352€) as well the part of the commitments (238 343€) that carried over in 2018 and cancelled (no payment) plus unused IT services (2420€) minus €350 unused funds.

PART III - Reports on Budget Implementation

1. Budget Outturn Account

EUR

			2017	2016
REVENUE				
	Commission subsidy (for the operating budget -Titles 1,2 and 3 - of the Agency)	+	9 713 960	8 789 446
		+		
	Other contributions and funding received via the Commission	+		
	Other donors	+		
	Fee income	+		
	Other revenue	+		
TOTAL REVENUE (a)			9 713 960	8 789 446
EXPENDITURE				
	<i>Title I: Staff</i>			
	Payments	-	5 108 753	4 578 603
	Appropriations carried over	-	154 256	155 572
	<i>Title II: Administrative Expenses</i>			
	Payments	-	1 187 415	1 100 264
	Appropriations carried over	-	178 808	260 544
	<i>Title III: Operating Expenditure</i>			
	Payments	-	934 381	1 237 062
	Appropriations carried over	-	1 615 957	1 150 906
TOTAL EXPENDITURE (b)			9 179 570	8 482 950
OUTTURN FOR THE FINANCIAL YEAR (a-b)			534 390	306 496
	Cancellation of unused payment appropriations carried over from previous year	+	354 260	250 109
	Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	+		
	Exchange differences for the year (gain +/-loss -)	+/-	-	-
BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR			888 650	556 605
	Balance year N-1	+/-	556 605	
	Positive balance from year N-1 reimbursed in year N to the Commission	-	-556 605	
Result used for determining amounts in general accounting			888 650	
Commission subsidy - agency registers accrued revenue and Commission accrued expense			8 825 310	
Pre-financing remaining open to be reimbursed by agency to Commission in year N+1			888 650	
				-

2. Budget Implementation Reports

					EUR							
REVENUE		Initial Budget	Revised Budget 1st Revision	Revised Budget 2nd revision	Revised Budget 1st Amendment							
						(*) budget transfers approved by CHAFEA's Steering Committee						
01000 European Community Contribution		9,570,000	9,570,000	9,570,000	9,570,000							
02000 EFTA Contribution		143,960	143,960	143,960	143,960							
TOTAL		9,713,960	9,713,960	9,713,960	9,713,960							
EXPENDITURE		Initial Budget	Revised Budget 1st revision	Revised Budget 2nd revision	Revised Budget 1st Amendment	Transfers Between Bud.Lines	Final Budget After Amend. and Transfers	Commitments Execution 31-12-2017	%	Payments Execution 42,735	% Budg	Commitments carried forward RAL
Commitment Item		Title										
1111 Temporary agents	1	2,260,320	2,260,320	2,228,286	1,933,721	326,599	1,933,721	1,808,256	93.51%	1,757,893	90.91%	0
1112 Contract agents	1	3,193,920	3,130,071	3,130,071	2,983,909	210,011	2,983,909	2,903,588	97.31%	2,864,753	96.01%	0
1131 Interim agents and blue book trainees	1	256,000	319,849	351,883	351,883	-95,883	351,883	351,883	100.00%	306,325	87.05%	45,558
1211 Recruitment, enter. and leaving service	1	20,000	20,000	20,000	20,000	0	20,000	16,000	80.00%	3,040	15.20%	12,960
1221 General, spec. & language training courses	1	44,000	44,000	44,000	44,000	0	44,000	44,000	100.00%	16,593	37.71%	27,407
1231 Admin. and Med. Service - PMO and DG	1	77,880	77,880	77,880	116,820	-38,940	116,820	77,880	66.67%	71,093	60.86%	6,787
1241 Social service and other interventions	1	150,000	150,000	150,000	150,000	0	150,000	150,000	100.00%	88,810	59.21%	61,190
1251 Internal meetings, events and reception	1	900	900	900	900	0	900	600	66.67%	247	27.40%	353
1 Total		6,003,020	6,003,020	6,003,020	5,601,233	401,787	5,601,233	5,352,207	95.55%	5,108,753	91.21%	154,256
2111 Rent of building and associated costs	2	1,030,000	1,000,000	1,000,000	1,000,000	30,000	1,000,000	989,758	98.98%	989,758	98.98%	0
2121 Fitting out	2	10,000	40,000	40,000	40,000	-30,000	40,000	38,104	95.26%	0	0.00%	38,104
2211 Hardware, software and linked expenditure	2	120,000	120,000	120,000	120,000	0	120,000	119,956	99.96%	71,301	59.42%	48,656
2221 ICT - DG DIGIT	2	110,000	110,000	110,000	74,000	36,000	74,000	74,000	100.00%	71,059	96.03%	2,941
2311 Furniture and associated expenditure	2	20,000	20,000	20,000	10,000	10,000	10,000	9,965	99.65%	0	0.00%	9,965
2312 Handling and removal services	2	0	0	0	0	0	0	0	0.00%	0	#DIV/0!	0
2321 Office supplies, library stocks (books, ne	2	6,000	6,000	6,000	16,000	-10,000	16,000	15,533	97.08%	266	1.66%	15,268
2331 Current administrative services (financial	2	4,000	4,000	4,000	4,000	0	4,000	3,200	80.00%	0	0.00%	3,200
2341 Postal charges	2	9,000	9,000	9,000	9,000	0	9,000	9,000	100.00%	7,055	78.39%	1,944
2351 Other operating services	2	135,000	135,000	135,000	135,000	0	135,000	106,706	79.04%	47,977	35.54%	58,729
2 Total		1,444,000	1,444,000	1,444,000	1,408,000	36,000	1,408,000	1,366,223	97.03%	1,187,415	84.33%	178,807
3111 Meetings and information days	3	275,000	275,000	275,000	275,000	0	275,000	197,765	71.91%	95,015	34.55%	102,750
3121 Expenditure related to evaluation and rev	3	20,000	20,000	20,000	24,000	-4,000	20,000	20,000	83.33%	0	0.00%	20,000
3131 Missions and related expenses	3	241,250	241,250	241,250	241,250	0	241,250	241,250	100.00%	174,020	72.13%	67,230
3141 Data collection IT services to support pro	3	372,605	372,605	372,605	372,605	0	372,605	372,159	99.88%	117,970	31.66%	254,189
3142 Programme management specific IT syst	3	545,325	545,325	545,325	505,325	40,000	545,325	505,325	100.00%	496,835	98.32%	8,490
3151 Communication, editing, publications, we	3	352,000	352,000	352,000	372,000	-20,000	352,000	356,077	95.72%	35,104	9.44%	320,973
3161 Ex-post auditing	3	130,000	130,000	130,000	99,569	30,431	130,000	99,569	100.00%	0	0.00%	99,569
3171 Studies, consultancy, translation and oth	3	330,760	330,760	330,760	814,978	-484,218	330,760	758,193	93.03%	15,437	1.89%	742,757
3 Total		2,266,940	2,266,940	2,266,940	2,704,727	-437,787	2,266,940	2,550,339	94.29%	934,381	34.55%	1,615,957
Grand Total		9,713,960	9,713,960	9,713,960	9,713,960	0	9,713,960	9,268,768	95.42%	7,230,550	74.43%	1,949,020

CREDITS CARRIED OVER 2016- 2017 -C8 (Amounts in EUR)

Commitment Item	Title	Commitments Carried over 2016-2017	Commitments Execution 31-12-2017	%	Available Amount Budget-Commitments (Commitments not used)	Payments Execution 31-12-2017
1131 - Interim agents and blue book trainees (ex 1400+140		48 394.48	29 609.76	61.18 %	18 784.72	29 609.76
1211 - Recruitment, entering and leaving the service		10 556.00	0.00	0.00 %	10 556.00	0.00
1221 - General, specific & language training courses (ex		24 800.96	7 462.50	30.09 %	17 338.46	7 462.50
1231 - Administrative and Medical Service - PMO and DG HR		20 661.10	20 661.10	100.00 %	0.00	20 661.10
1241 - Social service and other interventions (ex 1301)		50 899.90	10 605.50	20.84 %	40 294.40	10 605.50
1251- Internal meetings, events and reception (ex 2331)		259.70	39.90	15.36 %	219.80	39.90
	1 Total	155 572.14	68 378.76	43.95%	87 193.38	68 378.76
2111 - Rent of building and associated costs (ex 2000)		27 577.33	0.00	0.00 %	27 577.33	0.00
2121 - Fitting out (ex 2010)		8 353.92	8 353.92	100.00 %	0.00	8 353.92
2211 - Hardware software and linked expenditure (ex 2100)		47 661.45	46 969.48	98.55 %	691.97	46 969.48
2221 - ICT - DG DIGIT (ex 2110)		85 000.00	73 989.50	87.05 %	11 010.50	73 989.50
2311 - Furniture and associated expenditure (ex 2210)		16 572.74	3 613.33	21.80 %	12 959.41	3 613.33
2321 - Office supplies library stocks (books newspapers t		5 399.83	0.90	0.02 %	5 398.93	0.00
2331 - Current administrative services (financial legal a		4 000.00	0.00	0.00%	4 000.00	0.00
2341 - Postal charges (ex 2400)		2 083.16	0.00	0.00 %	2 083.16	0.00
2351- Other operating services (ex 2500)		63 895.81	62 077.80	97.15%	1 818.01	62 077.80
	2 Total	260 544.24	195 004.93	74.85%	65 539.31	195 004.03
3111 - Meetings and information days (ex 3100)		135 101.35	109 306.95	80.91 %	25 794.40	109 306.95
3121 - Expenditure related to evaluation and review (ex 3		80 026.06	24 729.36	30.90 %	55 296.70	24 729.36
3131 - Missions and related expenses (ex 3120)		30 050.84	19 760.20	65.76 %	10 290.64	15 975.91
3141 - Data collection IT services to support programme m		164 721.55	164 721.55	100.00 %	0.00	164 721.55
3142 - Programme management specific IT systems - DG DIGI		120 000.00	103 298.50	86.08 %	16 701.50	103 298.50
3151 - Communication, editing, publications, website and		286 474.85	253 771.30	88.58 %	32 703.55	210 805.55
3161 - Ex-post auditing (partly ex 3310)		123 025.00	123 025.00	100.00 %	0.00	123 025.00
3171 - Studies, consultancy, translation and other programme exp.		211 506.65	197 517.30	93.39 %	13 989.35	197 517.30
	3 Total	1 150 906.3	996 130.16	86.55%	154 776.14	949 380.12
Grand Total		1 567 022.68	1,259,513.85	80.38%	307 508.83	1 212 762.91

3. Notes on Budget Implementation

CHAFEA as an executive agency has an operating budget governed by the Commission Regulation N°1653/2004. According to Article 15 of Regulation EC N°58/2003, the operating budget covers exclusively the administrative expenditure for the financial year.

The subsidy is transferred to the Agency in several instalments, according to Article n°27 of the Commission Decision C (2013)-9505 of 20/12/2013.

The budget consists only of non-differentiated appropriations.

Exercise 2017

Credits of the Year – C1

- Revenue is composed of an annual subsidy transferred by the Commission. The subsidy for 2017 was 9 713 960 €.

The subsidy was received in:

- 3 instalments from the Commission, DG SANTE – DG JUST –DG AGRI in **March, September and November 2017,**

- The budget for 2017 was committed for an amount of 9 268 768.19 €, corresponding to 95.42% of the total. The payment execution reached the amount of 7 230 549.63 € corresponding to 74.43 % of the initial budget or to 78.01 % of the committed budget.

A total amount of 1,567,022.68 € was carried over to 2017 representing 16.90% % of the commitments of the year.

The major amounts carried over concern the activities of:

- meetings and info days intended for Programme participants;
- data collection and IT systems;
- programme management specific IT systems;
- communication, editing, publications and websites;
- financial audits;
- furniture and associated expenditure;
- Studies, consultancy, translation and other programme;
- other operating services.

At the end of the year, a review of the provisional commitments took place, in order to ensure that only justified commitments would be carried over to 2018.

Expenditure is divided into 3 titles:

- Title 1: Expenses for personnel linked to the Agency

This title includes expenses for: salaries, allowances and social costs, recruitment expenses, training, services provided by DG Admin and PMO, social perquisites and interim services.

Title 1 (amounts in Euro)	2017 €	%	2016 €	Delta 2017-2016 €	Delta 2017-2016 %
Budget Allocated	5,601,233	57.66% of the total budget	4,918,183	683,050	13.89%
Commitments Execution	5,352,207	95.55%	4,917,883	434,324	8.83%
Payments Execution	5,108,753	91.21%	4,578,603	530,150	11.58%
RAL	154,256	2.88% of the Commitments execution	155,572	-1,316	-0.85%

Comments:

- Title 1 represents 57.66 % of the total budget,
- 95.55 % of the budget was committed and 92.21% was paid and only 2.88% of the commitments execution was transferred in RAL. On the budget lines related to salary, an additional 89 198 € (1.81%) was transferred to the next year (C9 fund source). Due to the annual nature of salary payments, this amount is not usable in the next year and will be de-committed during 2018.
- The carry-over amounts from 2017 to 2018 concerns:
 - Interim services committed in 2017 exercise but to be paid in 2018;
 - Training and language courses for staff;
 - Services provided by PMO and DG HR – medical service and training (SLA);
 - Recruitment expenses;
- The expenses in Title 1 (in terms of commitment execution) increased by 8.83 %.

- Title 2: Central Support costs

This title includes expenses related to: rent and charges, purchase of equipment, furniture, office supplies, service legal agreements with DG Budget, DIGIT and other services related to the operating activities.

Title 2 (amounts in Euro)	2017 €	%	2016 €	Delta 2017-2016 €	Delta 2017-2016 %
Budget Allocated	1,408,000	14.49% of the total budget	1,401,753	6,247	0.45%
Commitments Execution	1,366,223	97.03%	1,360,808	5,415	0.40%
Payments Execution	118,415	84.33%	1,100,264	-981,849	-89.24%
RAL	178,807	13.09% of the Commitments execution	260,544	-81,737	-31.37%

Comments:

- Title 2 represents 14.49% of the total budget;
- 97.03 % of the budget was committed, 84.33 % was paid and 13.09 % (of commitment executions) was transferred in RAL;
- The most significant amount carried over to 2017 relates to hardware, software and linked expenditure contracted in 2016, but to be paid in 2017.

- Title 3: Expenditure linked to the Agency's operations

This title includes expenses for: meetings organised for DG SANCO, payments of experts participating in the evaluation of calls for proposals, missions, IT expenditure, communication, ex-post audits directly related to operational activities.

Title 3 (amounts in Euro)	2017 €	%	2016 €	Delta 2017-2016 €	Delta 2017-2016 %
Budget Allocated	2,266,940	23.34% of the total budget	2,469,510	-202,570	-8.20%
Commitments Execution	2,550,339	94.29%	2,387,968	162,371	6.80%
Payments Execution	934,381	34.55%	1,237,062	-302,681	-24.47%
RAL	1,615,957	63.36% of the Commitments execution	1,150,906	465,051	40.41%

Comments:

- Title 3 represents 23.34% of the total budget;
- 94.29% of the budget was committed, 34.55% was paid and 63.36% (of commitment execution) was transferred in RAL;
- In comparison with 2016, the budget allocated increased by 40.41 %;
- The amount of 1 615 957 € carried-over from 2017 to 2018 includes :
 - Meetings organised in 2017 for which the reimbursement of expenses will be paid in 2018 and includes as well the amounts for meetings planned in the year 2017 for which experts were invited in 2017;
 - Data collection & IT services: services provided in 2017 but not yet paid and services to be provided in the year 2018;
 - Programme management specific IT systems – provided the Commission (DG DIGIT);
 - Mission's expenses realised in 2018 but not paid until the 31/12/2017 to the concerned staff members;
 - Communication and promotion activities in Consumers and BTSF: videos, booklets;
 - Services related to ex-post evaluation and financial audit ex-post outsourced in 2017;
 - Studies, consultancy, translation and other programmes.

Credits carried over from 2017 to 2018 – C8

- In 2017 the RAL amounted to 1 949 020 € :
 - Title 1: 154,256€ 2.88%
 - Title 2: 178,807€ 13.09 %
 - Title 3: 1,615,957€ 63.36 %

A review of open commitments took place at the end of 2017 and a total of 354 260 € was de-committed. This amount will be returned to the Commission after closure of the accounts.

For more details please refer to the Budget Outturn account.

The unused amounts concern some expenses that were foreseen to take place during the following exercise, but which did not finally occur.

4. Human Resources on 31-12-2017

Categories and grades	31/12/2017	Planned
Temporary Agents		
AD14	1	1
AD13	1	2
AD12	2	2
AD11	-	-
AD10	1	1
AD9	-	-
AD8	1	1
AD7	3	3
AD6	1	1
AD5	2	5
AST8	1	1
AST7	-	-
AST6	-	-
AST5	-	-
AST 4	-	-
Total Temporary Agents	13	17
Contractual Agents		
IV	30	30
III	9	9
II	8	8
I	1	1
Total Contractual Agents	48	48
TOTAL	61	65

5. Overview of contracts on 31-12-2017

Expenditure Type	Commitment	Contract Reference	Contractor name	Amount	Good	Service	Restricted procedure	Framework contract/ SLA
ADM	PHE.1280	2017 PROVISIONAL - RENT OF BUILDING/DRB & ASSOCIATED COSTS - COMPL.1 - FINAL DECOMMITMENT	EUROPEAN COMMISSION	989 757.50		X		X
ADM	PHE.1344	2017 PROVISIONAL - FITTING-OUT - AMENDEMENT N°7 CONTRAT SOUS-LOCATION 27/04/2006 - CHAFEA/OIL	EUROPEAN COMMISSION	0.00		X		X
ADM	PHE.1345	OIL - FITTING-OUT - AMENDEMENT N°7 CONTRAT SOUS-LOCATION 27/04/2006	EUROPEAN COMMISSION	38 104.47		X		X
ADM	PHE.1283	RECOMMITMENT - CHAFEA/2015/BDC/41/IT - SAP BELGIUM - MAINT. RENEWAL OF SAP LICENSES - ADD1 (CHANGE OF BA / FWK)	SAP BELGIUM - SYSTEMS APPLICATIONS	240.00		X		X
ADM	PHE.1289	CHAFEA/2017/BDC/01/IT - ORACLE - RENEWAL OF MAINTENANCE FOR ORACLE USER LICENSES - CHANGE OF BA	ORACLE BELGIUM BVBA	510.00		X		X
ADM	PHE.1295	CHAFEA/2017/BDC/04/IT - COMPAREX NEDERLAND B.V. - PURCHASE & RENEWAL OF SOFTWARE IN Q1	COMPAREX NEDERLAND BV	11 604.31		X		X
ADM	PHE.1297	CHAFEA/2017/BDC/06/IT - DIMENSION DATA - MAINTENANCE OF VIDEOCONFERENCE SYSTEM	DIMENSION DATA BELGIUM	943.37		X		X
ADM	PHE.1307	CHAFEA/2017/BDC/08/IT - BECHTLE AG - PURCHASE OF INFORMATIC EQUIPMENT (3 IPHONE)	BECHTLE AG	2 597.40		X	X	
ADM	PHE.1311	CHAFEA/2017/BDC/12/IT - SYSTEMAT - MAINTENANCE OF OLD SERVERS	SYSTEMAT LUXEMBOURG PSF SA	1 054.03		X		X
ADM	PHE.1315	CHAFEA/2017/BDC/13/IT - SAP BELGIUM - MAINT. RENEWAL OF SAP & BO LICENSES	SAP BELGIUM - SYSTEMS APPLICATIONS	3 321.20		X		X
ADM	PHE.1322	CHAFEA/2017/BDC/17/IT - COMPAREX NEDERLAND B.V. - LICENSES FOR MICROSOFT SOFTWARE	COMPAREX NEDERLAND BV	10 571.50		X		X
ADM	PHE.1330	CHAFEA/2017/BDC/18/IT - GETSYS LUXEMBOURG - PURCHASE OF NEW COPIERS & MAINTENANCE OF OLD COPIERS - FWK DJI/6940	GETSYS LUXEMBOURG ASSOCIATION MOMEN	11 524.20	X			X
ADM	PHE.1332	CHAFEA/2017/BDC/21/IT - ORACLE - RENEWAL OF MAINTENANCE FOR ORACLE USER LICENSES	ORACLE BELGIUM BVBA	1 577.50		X		X
ADM	PHE.1333	CHAFEA/2017/BDC/23/IT - DIMENSION DATA - MAINTENANCE OF VIDEOCONFERENCE SYSTEM - E WING	DIMENSION DATA BELGIUM	2 381.05		X		X
ADM	PHE.1338	CHAFEA/2017/BDC/24/IT - BELGACOM/PROXIMUS - MAINTENANCE VIDEO CONFERENCE SYSTEM	PROXIMUS	1 810.00		X		X
ADM	PHE.1339	CHAFEA/2017/BDC/25/IT - SYSTEMAT EIS SA - PURCHASE OF PCS FOR DEVELOPERS	SYSTEMAT EIS	1 947.50		X		X
ADM	PHE.1346	CHAFEA/2017/BDC/27/IT - BECHTLE AG - PURCHASE OF INFORMATIC EQUIPMENT (2 TABLETS / 1PDA)	BECHTLE AG	2 780.41	X			X
ADM	PHE.1354	CHAFEA/2017/BDC/35/IT - CANON - PURCHASE OF MULTIFUNCTION DEVICES	CANON BELGIUM NV	29 482.89	X			X
ADM	PHE.1366	CHAFEA/2017/BDC/37/IT - COMPAREX NEDERLAND B.V. - SW LICENSES RENEWAL Q4	COMPAREX NEDERLAND BV	10 711.01		X		X
ADM	PHE.1274	PROV.2017 - DIGIT - MOU REGARDING THE E-INVOICING OF THE PROCUREMENT SERVICES IN THE IT FIELD - FINAL DECOMMITMENT (CF PHE.1306)	COMMISSION EUROPEENNE/EUROPEAN COMM	4 900.00		X		X
ADM	PHE.1368	CHAFEA/2017/BDC/40/ADM - AHREND - PURCHASE OF FURNITURE FOR THE RELAX CORNER	AHREND	8 041.32	X			X
ADM	PHE.1369	CHAFEA/2017/BDC/41/ADM - DROMEAS - PURCHASE OF FURNITURE FOR THE NEW OFFICES	PAPAPANAGIOTOU ABEEA DROMEAS ANONYM	1 923.35	X			X
ADM	PHE.1293	CHAFEA/2017/BDC/03/ADM - OIL - OFFICE SUPPLIES (PAPER 2017)	EUROPEAN COMMISSION	2 343.60	X			X
ADM	PHE.1341	CHAFEA/2017/BDC/26/ADM - OIL - OFFICE SUPPLIES	EUROPEAN COMMISSION	988.58	X			X
ADM	PHE.1367	CHAFEA/2017/BDC/39/ADM - OIL - OFFICE SUPPLIES	EUROPEAN COMMISSION	11 899.44	X			X
ADM	PHE.1299	CHAFEA/2017/SC/01/IT - SERCO BELGIUM - A. MENIDIATIS (SECURITY CONSULTANT) - FC 07390	SERCO BELGIUM	40 325.40		X		X
ADM	PHE.1309	CHAFEA/2017/SC/06/IT - SERCO BELGIUM - A. MENIDIATIS (SECURITY CONSULTANT) - FC 07390	SERCO BELGIUM	38 235.20		X		X
ADM	PHE.1326	CHAFEA/2017/SC/09/IT - SERCO BELGIUM - USER SUPP. AGENT ANALYST INTRAMUROS	SERCO BELGIUM	27 145.80		X		X

Expenditure Type	Commitment	Contract Reference	Contractor name	Amount	Good	Service	Restricted procedure	Framework contract/ SLA
ADM	PHE.1313	CHAFEA/2017/BDC/11/BTSF - NOVOTEL LUXEMBOURG - BTSF INFO DAY - 25/04/2017	FONCIERE ROCADÉ SARL*HOTEL NOVOTEL	1 533.44		X		X
ADM	PHE.1319	CHAFEA/2017/BDC/13/PHP - AMEX - PHP INFO DAY - 07/06/2017 - TRANSPORT FOR NOMINEES - FINAL DECOMMITMENT	GLOBAL BUSINESS TRAVEL	58 253.15		X		X
ADM	PHE.1320	CHAFEA/2017/BDC/14/PHP - GHANIME - PHP INFO DAY - 07/06/2017 - ORGANISATION OF THE INFO DAY (SOUND/LIGHT, FURNITURE, STAFF, GRAPHISM...)	GHANIME	6 935.19		X	X	
ADM	PHE.1321	CHAFEA/2017/BDC/15/PHP - ABM IMMOBILIERE SA - PHP INFO DAY - 07/06/2017 - DRB CONFERENCE CENTER RENTAL	A.B.M. IMMOBILIERE SA	750.00		X	X	
ADM	PHE.1334	CHAFEA/2017/BDC/24/BTSF - NOVOTEL LUXEMBOURG - BTSF INFO DAY - SEPTEMBER 2017	FONCIERE ROCADÉ SARL*HOTEL NOVOTEL	1 532.84		X	X	
ADM	PHE.1347	CHAFEA/2017/BDC/33/BTSF - RENAISSANCE BRUSSELS HOTEL - BTSF INFO DAY - DECEMBER 2017	PARNASSE SQUARE INVEST NV	3 725.00		X	X	
ADM	PHE.1348	CHAFEA/2017/BDC/31/AGR - IGEP - PURCHASE OF LANYARDS (+PRINTING) FOR AGRI INFO DAY 2018	INTERNATIONAL GRAFIC EDITIONS AND P	803.80	X		X	
ADM	PHE.1349	CHAFEA/2017/BDC/30/AGR - OBJECTIF - PURCHASE OF BADGES FOR AGRI INFO DAY 2018	OBJECTIF	282.00	X		X	
ADM	PHE.1351	CHAFEA/2017/BDC/28/AGR - CHAMBER OF COMMERCE OF THE GDL - MATCH-MAKING PLATFORM & EVENT SUPPORT DURING THE INFO DAY ON THE CALLS FOR PROPOSALS 2018	CHAMBRE DE COMMERCE DU GRAND-DUCHE	7 350.00	X		X	
ADM	PHE.1303	CHAFEA/2017/SC/04/IT - ONE4EU3 - ESP -DESIS DI/07338 LOT3 / LUISA SOARES MARQUES - CHANGE OF BA IN THE FRAMEWORK CONTRACT (ADD6)	NE4EU3 CONSORTIUM*UNISYS BELGIUM S	98 822.80		X		X
ADM	PHE.1305	CHAFEA/2017/SC/05/IT - EURORA CONSORTIUM - ESP-DESIS DI/07330 LOT1 / JP MAQUESTIAUX	CONSORTIUM EURORA*ARHS DEVELOPMENTS	99 510.40		X		X
ADM	PHE.1324	CHAFEA/2017/SC/07/IT - INNOVATIA CONSORTIUM - ESP DESIS DI/07335 LOT2 / PHILIPPE BRYNAERT	INNOVATIA*UNISYS BELGIUM ATOS BELGI	76 788.00		X		X
ADM	PHE.1325	CHAFEA/2017/SC/08/IT - ONE4EU3 - ESP -DESIS DI/07338 LOT3 / RICARDO SOLAR - USER SUPPORT H2020 TOOLS	ONE4EU3 CONSORTIUM*UNISYS BELGIUM S	69 892.20		X		X
ADM	PHE.1326	CHAFEA/2017/SC/09/IT - SERCO BELGIUM - USER SUPP. AGENT ANALYST INTRAMUROS	SERCO BELGIUM	27 145.80		X		X
ADM	PHE.1286	DIGIT - DEDICATED IT SYSTEM TO SUP. OPERATIONS - (BALANCE ICT SERVICES 2015) - RECOMMITMENT	COMMISSION EUROPEENNE*EUROPEAN COMM	2 200.00		X		X
ADM	PHE.1302	CHAFEA/2017/SC/02/ADM - ONE4EU3 - ESP -DESIS DI/07338 LOT3 / ROSINE UWAMAHARO - W.O.M LEVEL3	ONE4EU3 CONSORTIUM*UNISYS BELGIUM S	46 558.60		X		X
ADM	PHE.1310	CHAFEA/2017/SC/03/ADM - INNOVATIA CONSORTIUM - ESP -DESIS DI/07335 LOT2 / ROSINE UWAMAHARO - I.D. LEVEL 3	INNOVATIA*UNISYS BELGIUM ATOS BELGI	54 764.60		X		X
ADM	PHE.1317	CHAFEA/2017/SC/05/BTSF - TIPIK - PRODUCTION OF BTSF ANNUAL REPORT 2016	TIPIK COMMUNICATION AGENCY SA	45 184.56		X		X
ADM	PHE.1336	CHAFEA/2017/SC/12/CP - TIPIK COMMUNICATION - ORGANISATION OF THE CONSUMER CLASSROOM 4TH INTER-SCHOOL COMPETITION ON "SMART ENERGY CONSUMERS"	TIPIK COMMUNICATION AGENCY SA	59 998.81		X		X
ADM	PHE.1340	CHAFEA/2017/SC/10/ADM - ONE4EU3 - ESP -DESIS DI/07338 LOT3 / MARIA GIANNAKOPOULOU - W.O.M LEVEL3	ONE4EU3 CONSORTIUM*UNISYS BELGIUM S	84 652.00		X		X
ADM	PHE.1342	CHAFEA/2017/BDC/29/AGR - INTRASOFT - DESIGN & ORGANISATION OF INFO & COMMUNICATION CAMPAIGN - AGRI PRODUCTS	INTRASOFT INTERNATIONAL SA	15 000.00		X		X
ADM	PHE.1356	CHAFEA/2017/SC/20/ADM - EU.NESS SPRL - DEVELOP COMMUNICATION STRATEGY	EU.NESS SPRL	49 918.00		X	X	
ADM	PHE.1323	04_13 - CHAFEA/2017/SC/06/ADM - IMPLEMENTING FWC NO 30-CE-0756501/00-55 - BUDG/15/PO/03 - PKF LITTLEJOHN- EX POST AUDIT	PKF Littlejohn	99 568.98		X		X
ADM	PHE.1288	2017 PROVISIONAL - CHAFEA/2017/BDC/02/AGR - CDT - TRANSL. OF HELPDESK Q&A - 2018 CALL DOCUMENTS (VARIOUS ARTICLES PROMOTING THE WEB PORTAL) & CHAFEA/2017/BDC/02/AGR-02 - COMPL.1	TRANSLATION CENTRE FOR THE BODIES OF THE EU	170 000.00		X		X
ADM	PHE.1298	CHAFEA/2017/BDC/07/PHP - CDT - TRANSL. OF CFT CHAFEA/2016/HEALTH/12	TRANSLATION CENTRE FOR THE BODIES OF THE EU	10 824.00		X		X
ADM	PHE.1331	CHAFEA/2017/BDC/20/CP - CDT - HUNGARIAN TARNSL. OF MONO-BENEFICIARY FMK PARTNERSHIP AGREEMENT & MONO-BENEFICIARY SPECIFIC GRANT AGREEMENT TEMPLATES	TRANSLATION CENTRE FOR THE BODIES OF THE EU	11 613.25		X		X
ADM	PHE.1352	CHAFEA/2017/SC/16/ADM - DELOITTE TAX & CONSULTING SARL - ASSESSEMENT & ANALYSIS OF CHAFEA STAFF WORKLOAD & WORKLOAD MANAGEMENT	DELOITTE	120 450.00		X	X	
ADM	PHE.1353	CDT - CHAFEA/2017/BDC/36/CP - TRANSLATION OF INTERNET RESEARCH MANUAL PRODUCED UNDER SC 2015 85 04 (E-ENFORCEMENT ACADEMY)	TRANSLATION CENTRE FOR THE BODIES OF THE EU	416 216.63		X		X
ADM	PHE.1355	CHAFEA/2017/BDC/38/PHP - CDT - TRANSLATION OF TOR FOR THE OPEN CALL FOR TENDERS - CHAFEA/2017/HEALTH/03, CHAFEA/2017/HEALTH/07, CHAFEA/2017/HEALTH/08	TRANSLATION CENTRE FOR THE BODIES OF THE EU	29 089.50		X		X

6. Report on Financial Management in 2017

The Consumers, Health and Food Executive Agency (CHAFEA) is the result of the transformation of the Executive Agency for Health and Consumers (EAHC). On 9th September 2008, the Agency was entrusted with a new mandate enlarged to Consumers and Food Safety measures.

In 2012, the Commission decided to further extend the mandate of the Agency and to increase the volume of appropriations entrusted to it, through a new amendment:

Consequently, the Agency was also responsible for the management of the part of the actions provided for in the Commission Decision C(2012)1548, adopting a work programme for the funding of projects in the area of external trade relations, including access to the markets for non-European Union countries and initiatives in the field of trade-related assistance⁷. This extension also covered the delegation of actions pertaining to the *Food Security* Thematic Programme as provided for in the Regulation EC/1905/2006 of the European Parliament and the Council establishing a Financing Instrument for Development Cooperation.

By its implementing Decision of 17 December 2013 (Ref. 2013/770/EU) the European Commission established the Consumers, Health and Food Executive Agency – Chafea - which replaced and succeeded the Executive Agency for Health and Consumers over the period from 1st January 2014 to 31 December 2024.

The Commission Decision of 17 December 2013 entrusted the new agency *Chafea* with the implementation of the following programmes and actions:

- The Consumer Programme 2014-2020,
- The Public Health Programme 2014-2020,
- The Food Safety Training measures covered by Directive 2000/29/EC and Regulation (EC) No 882/2004.

The Agency was also entrusted with the implementation of the legacy of the programmes which were managed by the former Executive Agency for Health and Consumers – EAHC.

*By the Commission Implementing Decision of 17 December 2014 (Ref. 2014/927/EU), the Consumers, Health and Food Executive Agency has been transformed into the **Consumers, Health, Agriculture and Food Executive Agency – CHAFEA** from 1st January 2014 to 31 December 2024 and has also been made responsible for implementing the information provision and promotion measures concerning agricultural products implemented in the internal market and third countries.*

The implementation of the Agency's administrative budget - an annual subsidy transferred by the Commission to the Agency's bank account - is regulated by Commission Regulation (EC) N 1653/2004 on a standard financial regulation for Executive Agencies amended by Commission regulation EC n°651/2008 of 9/07/2008.

• Financial Management and Internal Control

The Consumers, Health, Agriculture and Food Executive Agency has implemented a centralised organisational structure based on the Commission's designed Financial Circuit Model 4, «Full

⁷ and its actions announced under the heading "Trade-related assistance, training and capacity building actions towards developing countries

centralisation of financial transactions»⁸. According to this Model, the centralised verification of the financial aspects of a transaction must ensure that the operation is legal, regular and in due respect of the principle of sound financial management and that all related steps have been carried out correctly in compliance with the applicable regulatory requirements.

The financial circuits in place are compliant with the "four eyes principle", meaning that the roles of initiation and verification are separated to ensure clearer accountability. The centralised financial ex-ante control function is not involved in the initiation of financial operations. All main financial procedures are documented and published on the Agency's intranet.

The Agency operates in respect of the Commission-wide 16 Internal Control Standards, which aim at an effective operation of the control environment. In this perspective, the Agency performed a full risk assessment and internal control review.

- **Accounting systems**

Having concluded a Service Level Agreement with the Budget Directorate-General of the European Commission (DG BUDG), the Agency implemented and uses the Commission hosted ABAC and SAP accounting tools. Since December 2007 the Agency also disposes of ABAC Assets, a specific ABAC module to manage fixed assets.

To cash the operating subsidy paid by the European Commission and to execute payments, the Agency has opened a bank account in EUR, benefiting from the same framework contract conditions as the Commission. All transactions via this account are systematically made through the Commission managed ABAC, SAP and SWIFT systems.

⁸ provided for in the Annex to the Action 79 of the White Paper on reforming the Commission, 200/2000/COM, "Reforming the Commission – a White Paper – Part II – Action Plan" dated 01.03.2000.