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EUROPEAN COURT OF AUDITORS
COUR DES COMPTES EUROPÉENNE
CÚIRT INIÚCHÓIRÍ NA HEORPA



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Report
on the annual accounts of the
Executive Agency for Health and Consumers for the financial year 2009

together with the Agency's replies

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INTRODUCTION

1. The Executive Agency for Health and Consumers (hereinafter "the Agency"), located in Luxembourg, was set up by Commission Decision 2004/858/EC¹ and amended by Commission Decision 2008/544/EC². The Agency was established for a period beginning on 1 January 2005 and ending in 2013 for the management of Union actions in the field of health and consumer policy³.
2. The Agency's 2009 administrative budget amounted to 6,4 million euro, compared with 4,4 million euro the previous year. The number of staff employed by the Agency at the end of the year was 48, as compared with 42 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 accounts⁴ of the Agency, which comprise the "financial statements"⁵ and the "reports on implementation of the budget"⁶ for the financial year ended

¹ OJ L 369, 15.12.2004, p. 73.

² OJ L 173, 3.7.2008, p. 27.

³ The **Table** summarises the Agency's competences and activities. It is presented for information purposes.

⁴ 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.

⁵ 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 the description of the significant accounting policies and other explanatory information.

⁶ The budget implementation reports comprise the budget outturn account and its annex.

7. The Court conducted its audit in accordance with the IFAC and ISSAI¹¹ International Auditing Standards and Codes of Ethics. Those standards require that the Court complies with ethical requirements and plans and performs the audit to obtain reasonable assurance about whether the accounts are free from material misstatement and whether the underlying transactions are legal and regular.

8. The Court's audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the accounts and about the legality and regularity of the transactions underlying them. The procedures selected depend on its audit judgement including the assessment of the risks of material misstatement of the accounts or of illegal or irregular transactions, whether due to fraud or error. In making those risk assessments internal control relevant to the entity's preparation and presentation of accounts is considered in order to design audit procedures that are appropriate in the circumstances. The Court's audit also includes evaluating the appropriateness of accounting policies used and, the reasonableness of 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 Accounts¹² present fairly, in all material respects, its financial position as of 31 December 2009 and the results

¹¹ International Federation of Accountants (IFAC) and International Standards of Supreme Audit Institutions (ISSAI).

¹² The Final Annual Accounts were drawn up on 8 June 2010 and received by the Court on 30 June 2010. The Final Annual Accounts, consolidated with those of the Commission, are published in the Official Journal of the European Union by 15 November of the following year. These can be found on the following website <http://eca.europa.eu> or <http://ec.europa.eu/eahc/about/about.html>.

This Report was adopted by Chamber IV, headed by Mr Igors LUDBORŽS, Member of the Court of Auditors, in Luxembourg at its meeting of 14 and 16 September 2010.



For the Court of Auditors

udu:

Vítor Manuel da SILVA CALDEIRA

President

Table - Executive Agency for Health and Consumers (Luxembourg)

Areas of Union competence deriving from the Treaty	Competences of the Agency (Commission decision 2004/858/EC of 15 December 2004 amended by decision 2008/544/EC of 20 June 2008)	Governance	Resources made available to the Agency in 2009	Products and services supplied in 2009
<p>A high level of human health protection shall be ensured in the definition and implementation of all Union policies and activities. Union action, which shall complement national policies, shall be directed towards improving public health, preventing physical and mental illness and diseases, and obviating sources of danger to physical and mental 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, and monitoring, early warning of and combating serious cross-border threats to health.</p> <p><i>(Article 168 of the Treaty on the Functioning of the European Union)</i></p>	<p>Objectives The Agency is responsible for carrying out the implementation tasks for the management of the second Public Health Programme 2008-2013 as adopted by Decision No 1350/2007/EC, the Consumer programme for 2007-2013 as adopted by Decision No 1926/2006/EC and the food safety training measures covered by Regulation (EC) No 882/2004 and Directive 2000/29/EC.</p> <p>The Agency also manages all the phases in the lifetime of the implementing measures delegated to it in the framework of the programme of action in the field of public health 2003-2008, adopted by Decision No 1786/2002/EC of the European Parliament and of the Council of 23 September 2002.</p> <p>Tasks Under the Union programmes mentioned below, the Agency is responsible for implementing the following tasks as defined in the delegation act adopted on 9th September 2008¹³ : Public Health Programme 2003-2008 – Decision No 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: (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 a project description and the 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 implementation of the programmes and measures, promote coordination and synergy with other programmes of the Union, the Member States or international organisations; (d) Organising meetings, seminars, talks, and training measures; (e) Helping to evaluate the programme's impact, in particular the annual and/or mid term evaluation of implementation of the programmes, and implementing the follow-up actions on evaluations decided by the Commission; (f) Disseminate the results of the information operations planned and implemented by the</p>	<p>1 - Steering Committee 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 Appointed by the European Commission for four years.</p> <p>3 - External audit Court of Auditors.</p> <p>4 - Discharge Authority Parliament, acting on a recommendation from the Council.</p>	<p>Budget The Agency's administrative final budget for 2009 amounted to 6,4 million euro.</p> <p>Staff at 31 December 2009 On 31 December 2009, the Agency employed 48 statutory staff members, including 11 temporary staff and 37 contract staff.</p>	<p>1. Monitor the grant agreements awarded under the 2005, 2006, 2007, 2008 Public Health Programme Calls and grants and contracts awarded under the 2008 calls for proposals and for tenders of the 2007 – 2013 Consumer Programme and projects awarded under the 2007, 2008 and 2009 calls for tender under Food Safety Training Measures</p> <p>2. Execution of the 2009 Call for proposals "Public Health programme" and 2009 Work Programme of the 2007-2013 Consumer Programme. The Agency organized 17 info days and the evaluation of the received proposals. Fifty-six grant agreements were concluded in 2009, respectively Joint Actions (5), Operating Grants (1), Grants to the European Consumer Centres network (ECC) (28) and financial contributions towards travel and subsistence expenses in the form of grants for the exchange of officials of competent authorities (22). In addition, in 2009, 9 public procurement contracts were concluded under the Consumers Programme, totalling a contracted value of 4,2 million euro. Six service contracts were made under the Better Training for Safer Food initiative, representing a total amount of 5,4 million euro.</p> <p>3. Generation and dissemination of information on the Public Health programme, Consumer Programme, projects financed by BTSF programme and the Executive Agency's activities in 2009.</p> <p>4. Organisation of Expert Meetings. "The Agency organised for DG SANCO 7 experts meetings. Meetings were held with project coordinators in the same field (e.g. projects on generic preparedness)". In addition a meeting with the coordinators of the co-funded projects between 2005 and 2008 in the area of nutrition and physical activity was held in January 2009 to which 35 persons were invited from 25 projects. This</p>

¹³ Commission Decision of 9 September 2008 - delegating powers to the Agency.

THE AGENCY'S REPLIES

13. The Agency recognises that carry-forwards should be further reduced. Despite the positive tendency since 2007, in 2010 particular attention shall be given to the timely planning and implementation of budget implementation, especially in Title III. For 2010, the Agency has already implemented structured reporting methods which will allow for better monitoring of the budget execution and regular reporting to bimonthly management meetings.