

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(81) 753 final

Brussels, 13 January 1982.

Proposal for a
COUNCIL REGULATION (EEC)
amending Regulation (EEC) No 337/75 on the creation of a European
Centre for the Development of Vocational Training

Proposal for a
COUNCIL REGULATION (EEC)
amending Regulation (EEC) No 1365/75 on the creation of a European
Foundation for the Improvement of Living and Working Conditions

Proposal for a
COUNCIL REGULATION (EEC)
amending Regulation (EEC) No 1416/76 on the financial provisions
applying to the European Centre for the Development of Vocational
Training

Proposal for a
COUNCIL REGULATION (EEC)
amending Regulation (EEC) No 1417/76 on the financial provisions
applying to the European Foundation for the Improvement of Living
and Working Conditions

(submitted to the Council by the Commission)

TABLE OF CONTENTS

	<u>PAGE</u>
I. <u>EXPLANATORY MEMORANDUM</u>	1
II. <u>DRAFT COUNCIL REGULATIONS</u>	
a) - amending Council Regulation (EEC) N° 337/75 of 10 February 1975, on the creation of a European Centre for the Development of Vocational Training.	5
b) - amending Council Regulation (EEC) N° 1365/75 of 26 May 1975, on the creation of a European Foundation for the Improvement of Living and Working Conditions.	8
c) - amending Council Regulation (EEC) N° 1416/76, of 1 June 1976, on the financial provisions applying to the European Centre for the Development of Vocational Training.	11
d) - amending Council Regulation (EEC) N° 1417/76, of 1 June 1976, on the financial provisions applying to the European Foundation for the Improvement of Living and Working Conditions.	20
<u>ANNEX I</u> : amended Council Regulation (EEC) N° 337/75	28
<u>ANNEX II</u> : amended Council Regulation (EEC) N° 1365/75	33
<u>ANNEX III</u> : amended Council Regulation (EEC) N° 1416/76	38
<u>ANNEX IV</u> : amended Council Regulation (EEC) N° 1417/76	54

EXPLANATORY MEMORANDUM

A. Background

The European Centre for the Development of Vocational Training in Berlin was set up by Council Regulation (EEC) No 337/75 of 10 February 1975¹ and the European Foundation for the Improvement of Living and Working Conditions in Dublin by Council Regulation (EEC) No 1365/75 of 26 May 1975².

These regulations were adopted before the Treaty of 22 July 1975 amending certain financial provisions and establishing the Court of Auditors came into force.

As a result, they contain provisions which are not in line with that Treaty.

The financial activities of the two bodies are governed by the following Council regulations respectively:

Regulation (EEC) No 1416/76 of 1 June 1976³,

Regulation (EEC) No 1417/76 of 1 June 1976³.

These were adopted before the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities; they are based on the earlier Financial Regulation of 25 April 1973.

¹OJ L 39, 13.2.1975.

²OJ L 139, 30.5.1975.

³OJ L 164, 24.6.1976.

B. The changes required

The first point to be emphasized is that by and large the rules concerning these decentralized bodies have worked well. The solution proposed by the Commission and adopted by the Council after Parliament had expressed a favourable opinion ensures that each body has the autonomy it needs while guaranteeing that budget procedures broadly similar to those applying to the general budget of the Communities are followed, subject to a few exceptions in view of the decentralized nature of the bodies concerned.

Nevertheless these various regulations have to be brought into line with the legal situation created by the Treaty of 22 July 1975 and the Financial Regulation of 21 December 1977; the Council and especially Parliament, particularly in the course of the discharge procedure, asked the Commission to submit proposals.

At the end of 1980 the Commission submitted proposals for the three-yearly review of the Financial Regulation. All institutions concerned are aware that it is not possible, at the present stage, to foresee the final outcome of this review - a process which will take a considerable time. At this juncture financial provisions for the bodies concerned should not be based on the new Financial Regulation ; subsequent amendments will have to be made after revision of the general Financial Regulation.

The amendments now proposed can be classified as follows :

1. Amendments to the basic regulations (Nos 337/75 and 1365/75)

The amendments required to these two regulations are limited to the following points :

- (i) harmonization of the provisions concerning the destination of the annual report (Article 9 of Regulation No 337/75 and Article 13 of Regulation No 1365/75);
- (ii) updating of the provisions relating to the discharge (Article 12 of Regulation No 337/75 and Article 16 of Regulation No 1365/75).

2. Amendments to the regulations containing financial provisions
(Regulation No 1416/76 and Regulation 1417/76)

Alignment of the financial provisions governing the budgets of the two bodies on the Financial Regulation of 1977 requires amendments in six areas:

- (i) decision-making process for the carryover of appropriations;
- (ii) procedural provisions for the submission of proposed supplementary or amending budgets and letters of amendment;
- (iii) provisions relating to proposals and establishment of revenue;
- (iv) criteria for drawing up the revenue and expenditure account;
- (v) discharge procedure;
- (vi) updating of amounts relating to tenders.

These are the areas in which the 1977 Financial Regulation amended its predecessor and these amendments must be carried over to the financial provisions relating to the bodies in question.

The Commission considers that a pragmatic approach is required: while the financial regulations which currently apply to these bodies draw heavily on the Financial Regulation applicable to the general budget, there are variations on a number of points of detail. The Commission is not, therefore, proposing a literal alignment incorporating all the amendments to the 1973 Financial Regulation made in 1977 but proposes to deal only with those of substance and ignore minor textual variations having no legal significance.

The Council Decision of 16 December 1980 replaced the "unit of account" in the Financial Regulation by the ECU.

The place of the "Audit Board" was taken by "Court of Auditors" in all the acts concerned by the Treaty of 22 July 1975¹. This substitution requires no formal proposal, since Article 27 of the Treaty of 22 July 1975 has already given it legal force.

* * *
To assist consideration of this proposal, the Commission has attached for information the consolidated text of the four regulations which it is proposed to amend, incorporating the proposed amendments.

¹OJ L 359, 31 December 1977.

II (A) Draft Council Regulation

amending Council Regulation (EEC) N° 337/75 of 10 February 1975, on the creation of a European Centre for the Development of Vocational Training.

PROPOSAL FOR A
COUNCIL REGULATION (EEC) amending Regulation (EEC) N° 337/75
on the creation of a European Centre for the Development
of Vocational Training.

THE COUNCIL OF THE EUROPEAN COMMUNITIES

Having regard to the Treaty establishing the European Economic Community,
and in particular Article 235 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Having regard to the opinion of the Court of Auditors,

Whereas the Treaty of 22 July 1975, amending certain financial provisions
of the Treaties establishing the European Communities and of the Treaty
establishing a single Council and a single Commission of the European
Communities, modified the procedure for giving a discharge to the Commission
in respect of the implementation of the budget, and therefore it is appropriate
to update the procedure for giving a discharge to the Management Board of the Centre
by reference to the procedure so modified, as set out in Article 206b of the
EEC treaty;

Whereas the Treaty of 22 July 1975 substituted the Court of Auditors for the Audit
Board in all the texts referring to the Audit Board;

Whereas it is desirable to provide for the transmission of the annual general
report on the Centre to all interested Community bodies;

Whereas it is therefore appropriate to amend Council Regulation (EEC) No 337/75¹
accordingly,

HAS ADOPTED THIS REGULATION:

(1) O.J. N° L 39, 13.2.1975, p.1

ARTICLE ONE

Regulation (EEC) No 337/75 is hereby amended as follows:

1. Article 9 :- The text of this article is replaced by the following text :
"The Management Board shall by 31 March at the latest, adopt an annual general report on the activities and financial situation of the Centre and shall submit it to the Community institutions, to the Economic and Social Committee, and to the Court of Auditors".
2. Article 12, (2):
 - a) The phrase "to the Commission and" is deleted.
 - b) "Article 206 of the Treaty" is replaced by "Article 206a of the Treaty".
3. Article 12, (3): The text of this paragraph is replaced by the following:
"The accounts and the report of the Court of Auditors, together with the observations of the Management Board of the Centre, shall be sent by the Centre, by 31 October at the latest, to the European Parliament, the Council, the Commission and the Court of Auditors. The European Parliament, upon a recommendation from the Council, which shall act by a qualified majority, shall give a discharge to the Management Board of the Centre in accordance with Article 206b of the Treaty".

ARTICLE TWO

This regulation shall enter into force on the third day following that of its publication in the Official Journal of the European Communities.

This regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels

II (B) Draft Council Regulation

amending Council Regulation (EEC) N° 1365/75 of 26 May 1975, on the creation of a European Foundation for the Improvement of Living and Working Conditions.

PROPOSAL FOR A
COUNCIL REGULATION (EEC) amending Regulation (EEC) N° 1365/75
on the creation of a European Foundation for the Improvement
of Living and Working Conditions

THE COUNCIL OF THE EUROPEAN COMMUNITIES

Having regard to the Treaty establishing the European Economic Community,
and in particular Article 235 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Having regard to the opinion of the Court of Auditors,

Whereas the Treaty of 22 July 1975, amending certain financial provisions
of the Treaties establishing the European Communities and of the Treaty
establishing a single Council and a single Commission of the European
Communities, modified the procedure for giving a discharge to the Commission
in respect of the implementation of the budget, and therefore it is appro-
priate to update the procedure for giving a discharge to the Administrative Board
of the Foundation by reference to the procedure so modified, as set out in
Article 206b of the EEC treaty;

Whereas the Treaty of 22 July 1975 substituted the Court of Auditors for the Audit
Board in all the texts referring to the Audit Board;

Whereas it is desirable to improve the procedure for the transmission of
the annual general report on the Foundation to include all Community
organisations;

Whereas it is therefore appropriate to amend Council Regulation (EEC) No 1365/75¹
accordingly,

HAS ADOPTED THIS REGULATION:

(1) O.J. N° L. 139, 30.5.1975, p.1

ARTICLE ONE

Regulation (EEC) No 1365/75 is hereby amended as follows:

1. Article 13 :

paragraph 1 : The phrase "and shall submit it to the Audit Board" is deleted

paragraph 2 : This paragraph is replaced by the following :

"After its adoption by the Administrative Board, the director shall forward the general report to the Community institutions, to the Economic and Social Committee and to the Court of Auditors".

2. Article 16 :

paragraph 2 : a) The phrase "to the Commission and" is deleted .

b) "Article 206 of the Treaty" is replaced by Article 206a of the Treaty

paragraph 3 : The text of this paragraph is replaced by the following :

"The accounts and the report of the Court of Auditors, together with the observations of the Administrative Board of the Foundation, shall be sent by the Foundation, by 31 October at the latest, to the European Parliament, the Council, the Commission, and the Court of Auditors. The European Parliament, upon a recommendation from the Council, which shall act by a qualified majority, shall give a discharge to the Administrative Board of the Foundation in accordance with Article 206b of the Treaty".

ARTICLE TWO

This regulation shall enter into force on the third day following that of its publication in the Official Journal of the European Communities.

This regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels

II (C) Draft Council Regulation

amending Council Regulation (EEC) N° 1416/76, of 1 June 1976, on the financial provisions applying to the European Centre for the Development of Vocational Training.

PROPOSAL FOR A
COUNCIL REGULATION (EEC) amending Regulation (EEC) N° 1416/76
on the financial provisions applying to the European Centre
for the Development of Vocational Training

THE COUNCIL OF THE EUROPEAN COMMUNITIES

Having regard to the Treaty establishing the European Economic Community,
and in particular Article 209 thereof,

Having regard to Council Regulation (EEC) N° 337/75 of 10 February 1975
establishing a European Centre for the Development of Vocational Training, (1),
as amended by Regulation (EEC) No 181²,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Having regard to the opinion of the Court of Auditors,

Whereas it is expedient that the financial provisions governing the Centre
should approximate as closely as possible to the provisions of the Financial
regulation applicable to the general budget of the European Communities ;

Whereas the Financial Regulation of 25 April 1973 with which these provisions
were aligned was replaced by the financial regulation of 21 December 1977
applicable to the general budget of the European Communities (3), as last
amended by the Financial Regulation of 16 December 1980 (4);

(1) O.J. N° L39 13.2.1975, p.1

(2)

(3) O.J. No L356, 31.12.1977, p.1

(4) O.J. No L345, 20.12.1980, p.23

Whereas the Treaty of 22 July 1975, amending certain financial provisions of the Treaties establishing the European Communities and of the Treaty establishing a single Council and a single Commission of the European Communities modified the procedure for giving a discharge to the Commission in respect of the implementation of the budget, and substituted the Court of Auditors for the Audit Board in all the texts referring to the Audit Board,

Whereas it is therefore appropriate to amend Council Regulation (EEC) No 1416/76¹ accordingly,

HAS ADOPTED THIS REGULATION:

¹ OJ No 164, 24.6.1976, p.1

ARTICLE ONE

Regulation (EEC) N° 1416/76 is hereby amended as follows:

1. Article 6, (2):

first subparagraph:

"1 May" is replaced by "21 April"

second subparagraph: The text of this subparagraph is replaced by the following:

"Upon reception of the request to carry forward appropriations, the Council shall consult the Parliament, which shall give its opinion as soon as possible, that is, within a period which shall not normally exceed four weeks from the date of reception of the Council's request for that opinion.

Unless the Council, acting by a qualified majority, decides otherwise within six weeks from the date of reception of the request to carry forward appropriations, the carry-over of the appropriations shall be deemed to have been approved".

2. Article 11.(2):

first subparagraph: The text of this subparagraph is replaced by the following:

"In the event of unavoidable, exceptional or unforeseen circumstances, the Management Board of the Centre may send supplementary or amending estimates to the Commission. Such estimates shall be presented and adopted in the same form and following the same procedure as the statement whose forecasts they amend. They must be justified by reference to the statement".

3. Article 12.(3): The text of this paragraph is replaced by the following :

"The Commission may-if appropriate at the request of the Management Board, - present, by means of a letter of amendment, proposals for changes to the estimate of revenue and expenditure necessitated by the receipt of new information which was not previously available.

However, save in very exceptional circumstances the Commission must put such a letter of amendment to the Council at least 30 days before the first reading of the draft general budget by the European Parliament, and the Council must put the letter to the European Parliament at least 15 days before the said first reading".

4. Article 15, point (c): The following phrase is deleted:

"such comments may be binding, in which case this fact shall be specifically mentioned".

5. Article 22, point (b): The following is added at the end of point (b):

"The accounting plan shall include suspense accounts in order to record the re-use of sums in respect of revenue and expenditure".

6. Article 23 (2): The text of this paragraph is replaced by the following:

"The competent authorizing officer shall draw up, in respect of every debt established, a recovery order which shall be sent with supporting documents to the financial controller for his prior approval. Such recovery orders shall, after they have received the approval of the financial controller, be registered by the accounting officer.

The purpose of the approval shall be to establish that :

- (a) the revenue is booked to the correct budget item ;
- (b) the order is in order and conforms to the relevant provisions;
- (c) the supporting documents are in order;
- (d) the debtor is correctly described;
- (e) the due date is indicated
- (f) the order conforms to sound financial management;
- (g) the amount and currency of the sum to be recovered are correct.

If approval is withheld, the second subparagraph of paragraph 1 shall apply."

.../...

7. Article 24 : The text of this article is replaced by the following :

1. The accounting officer shall assume responsibility for the recovery orders duly drawn up.

He shall exercise all due diligence to ensure that the resources due to the Communities are recovered at the due dates indicated in the recovery orders, and shall ensure that the rights of the Communities are safeguarded.

The accounting officer shall inform the authorising officer and the financial controller of any revenue not recovered within the time limits laid down.

2. If the Management Board waives the right to recover an established debt, it shall inform the financial controller.

The purpose of the approval of the financial controller shall be to establish that the waiver is in order and conforms with the principles of sound financial management. The proposal concerned shall be registered by the accounting officer.

If approval is withheld, the Management Board may, by a decision stating the full reasons therefor, and on its sole responsibility, overrule this refusal. This decision shall be final and binding; it shall be communicated for information to the financial controller. The Management Board shall periodically inform the Court of Auditors of all such decisions.

When the financial controller finds that a document establishing a debt has not been drawn up, or that a sum due has not been recovered, he shall inform the Management Board thereof".

8. Article 29, second subparagraph:

This subparagraph is deleted .

9. Article 32 :

The first subparagraph becomes paragraph 1.

A new paragraph 2 is inserted as follows :

2. Supporting documents pertaining to the accounts and the drawing up of the revenue and expenditure account and the balance sheet shall be kept for a period of five years following the date of the decision giving discharge in respect of the implementation of the budget, referred to in Article 74.

However, the documents relating to transactions not finally closed shall be kept for longer than the said period.

The existing second subparagraph becomes paragraph 3.

10. Article 46, point (a):

"5,000 units of account" is replaced by "6,500 ECU "

11. Article 48 :

"12,000 units of account" is replaced by "18,000 ECU "

12. Article 49 third subparagraph:

"100,000 units of account" is replaced by "200,000 ECU "

13. Article 50 :

"200 units of account" and "500 units of account" are replaced by "300 ECU " and "750 ECU" respectively.

14. Article 51 : The following paragraph shall be added to this article :

"2. The ceilings specified in Articles 46 to 50, and expressed in ECU, shall be automatically adjusted in line with changes to corresponding ceilings specified in the Financial Regulation applicable to the general budget of the European Communities."

15. Article 56, third subparagraph:

This sub paragraph is deleted.

16. Article 62 (3):

Third and fourth subparagraphs are inserted thus:

"A special allowance is granted to the accounting officer, assistant accounting officers and administrators of advance funds. The sums corresponding to this allowance shall be credited each month to an account opened by the Centre on behalf of each official in order to establish a guarantee fund for the purpose of covering any cash or bank shortage for which the person concerned might render himself liable, in so far as such shortages have not been covered by refunds from insurance companies.

The credit balance in these guarantee accounts shall be paid over to the persons concerned when they terminate their appointment as accounting officer, assistant accounting officer or administrator of advance funds."

17. Article 66 : The first sentence of this article is replaced by the following:

"The revenue and expenditure account shall include the following tables classified in accordance with the nomenclature of the statement of revenue and expenditure of the Centre".

paragraph 1 :

a) The text of the third indent is replaced by the following:

"-revenue collected during the financial year";

- b) The following are inserted as fourth and fifth indents :
"- entitlements still to be collected from the preceding financial year";
"- entitlements established in the course of the financial year";
- c) The existing fourth indent becomes the sixth indent.

paragraph 3 :

In the first sentence the words "trend in" are replaced by the words "use of".

paragraph 4 :

- a) In the first sentence the words "trend in" are replaced by the words "use of"
b) The fourth indent is deleted.

18. Article 68 : The text of this article is replaced by the following:

"The Management Board shall, by 31 March at the latest, send the revenue and expenditure account and the balance sheet of the Centre for the preceding financial year to the Commission, the Council, the European Parliament and *and* the Court of Auditors".

19. Article 71, fourth subparagraph: The following words are deleted :

"or by one of its members, such requests shall be in writing".

20. Article 73, second subparagraph: The text of this subparagraph is replaced by the following:

"The Centre shall submit the revenue and expenditure account, the balance sheet and the report of the Court of Auditors, together with the replies to the comments, to the European Parliament and the Council by 31 October at the latest. The report of the Court of Auditors and the Centre's replies to the observations shall be published by the Court of Auditors in the Official Journal

21. Article 74, first subparagraph: The text of this subparagraph is replaced by the following text :

"The European Parliament, upon a recommendation from the Council, which shall act by a qualified majority, shall, before 30 April of the next year, give a discharge to the Management Board of the Centre in respect of the implementation of the statement of revenue and expenditure. If that date cannot be met, the Council or the European Parliament shall inform the Management Board of the reasons for postponing the decision".

ARTICLE TWO

The designation "unit of account" as used in the existing text of Regulation (EEC) N° 1416/76 is replaced by the designation "ECU". The articles affected by this change, including those amended in Article, are:

Article 10

Article 46, point (a)

Article 48

Article 49, third subparagraph

Article 50

Article 51, (2)

Article 56, second subparagraph

ARTICLE THREE

This regulation shall enter into force on the third day following that of its publication in the Official Journal of the European Communities.

This regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels

II (D) Draft Council Regulation

amending Council Regulation (EEC) N° 1417/76, of 1 June 1976, on the financial provisions applying to the European Foundation for the Improvement of Living and Working Conditions.

PROPOSAL FOR A
COUNCIL REGULATION (EEC) amending Regulation (EEC) No 1417/76
on the financial provisions applying to the European
Foundation for the Improvement of Living and Working Conditions.

THE COUNCIL OF THE EUROPEAN COMMUNITIES

Having regard to the Treaty establishing the European Economic Community,
and in particular Article 209 thereof,

Having regard to Council Regulation (EEC) No 1365/75 of 26 May 1975 on the
creation of a European Foundation for the Improvement of Living and
Working Conditions (1), as amended by Regulation (EEC) No /81²,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Having regard to the opinion of the Court of Auditors,

Whereas it is expedient that the financial provisions governing the
Foundation should approximate as closely as possible to the provisions
of the Financial Regulation applicable to the general budget of the
European Communities ;

Whereas the Financial Regulation of 25 April 1973 with which these provisions
were aligned was replaced by the Financial Regulation of 21 December 1977
applicable to the general budget of the European Communities (3), as last
amended by the Financial Regulation of 16 December 1980 (4);

Whereas the Treaty of 22 July 1975, amending certain financial provisions
of the Treaties establishing the European Communities and of the Treaty
establishing a single Council and a single Commission of the European
Communities, modified the procedure for giving a discharge to the Commission
in respect of the implementation of the budget, and substituted the Court
of Auditors for the Audit Board in all the texts referring to the Audit
Board;

Whereas it is therefore appropriate to amend Regulation (EEC) No 1417/76⁶ accordingly,

HAS ADOPTED THIS REGULATION:

(1) O.J. No L139, 30.5.1975, p.1

(2)

(3) O.J. No L 356, 31.12.1977, p.1

(4) O.J. No L 345, 20.12.1980, p.23

(5) O.J. No L 164, 24.6.1976, p.18

ARTICLE ONE

Regulation (EEC) N° 1417/76 is hereby amended as follows:

1. Article 6, (2):

first subparagraph:

"1 May" is replaced by "21 April"

second subparagraph: The text of this subparagraph is replaced by the following:

"Upon reception of the request to carry forward appropriations, the Council shall consult the Parliament, which shall give its opinion as soon as possible, that is, within a period which shall not normally exceed four weeks from the date of reception of the Council's request for that opinion.

Unless the Council, acting by a qualified majority, decides otherwise within six weeks from the date of reception of the request to carry forward appropriations, the carry-over of these appropriations shall be deemed to have been approved".

2. Article 11 (2):

first subparagraph: The text of this subparagraph is replaced by the following:

"In the event of unavoidable, exceptional, or unforeseen circumstances, the Administrative Board of the Foundation may send supplementary or amending estimates to the Commission. Such estimates shall be presented and adopted in the same form and following the same procedure as the statement whose forecasts they amend. They must be justified by reference to the statement".

3. Article 12 (3): The text of this paragraph is replaced by the following :

"The Commission may-if appropriate at the request of the Administrative Board - present, by means of a letter of amendment, proposals for changes to the estimate of revenue and expenditure necessitated by the receipt of new information which was not previously available.

However, save in very exceptional circumstances, the Commission must put such a letter of amendment to the Council at least 30 days before the first reading of the draft General Budget by the European Parliament, and the Council must put the letter to the European Parliament at least 15 days before the said first reading".

4. Article 15, point (c): The following phrase is deleted:

"such comments may be binding, in which case this fact shall be specifically mentioned".

5. Article 22, point (b):

"The accounting plan shall include suspense accounts in order to record the re-use of sums in respect of revenue and expenditure".

6. Article 23, (2): The text of this paragraph is replaced by the following:

"The competent authorizing officer shall draw up, in respect of every debt established, a recovery order which shall be sent with supporting documents to the financial controller for his prior approval. Such recovery orders shall, after they have received the approval of the financial controller, be registered by the accounting officer.

The purpose of the approval shall be to establish that :

- (a) the revenue is booked to the correct budget item ;
- (b) the order is in order and conforms to the relevant provisions;
- (c) the supporting documents are in order;
- (d) the debtor is correctly described;
- (e) the due date is indicated;
- (f) the order conforms to sound financial management;
- (g) the amount and currency of the sum to be recovered are correct.

If approval is withheld, the second subparagraph of paragraph 1 shall apply."

7. Article 24 : The text of this article is replaced by the following:

1. The accounting officer shall assume responsibility for the recovery orders duly drawn up.

He shall exercise all due diligence to ensure that the resources due to the Communities are recovered at the due dates indicated in the recovery orders, and shall ensure that the rights of the Communities are safeguarded.

The accounting officer shall inform the authorizing officer and the financial controller of any revenue not recovered within the time limits laid down.

2. If the Administrative Board waives the right to recover an established debt, it shall inform the financial controller.

The purpose of the approval of the financial controller shall be to establish that the waiver is in order and conforms with the principles of sound financial management. The proposal concerned shall be registered by the accounting officer.

If approval is withheld, the Administrative Board may, by a decision stating the full reasons therefor, and on its sole responsibility, overrule this refusal.

This decision shall be final and binding; it shall be communicated for information to the financial controller. The Administrative Board shall periodically inform the Court of Auditors of all such decisions.

When the financial controller finds that a document establishing a debt has not been drawn up, or that a sum due has not been recovered, he shall inform the Administrative Board thereof".

8. Article 29, second subparagraph: This subparagraph is deleted.

9. Article 32 :

The first subparagraph becomes paragraph 1.

A new paragraph 2 is inserted as follows :

2. Supporting documents pertaining to the accounts and the drawing up of the revenue and expenditure account and the balance sheet shall be kept for a period of five years following the date of the decision giving discharge in respect of the implementation of the budget, referred to in Article 74.

However, the documents relating to transactions not finally closed shall be kept for longer than the said period.

The existing second subparagraph becomes paragraph 3.

10. Article 46, point (a):

"5,000 units of account" is replaced by "6,500 ECU".

11. Article 48 :

"12,000 units of account" is replaced by "18,000 ECU".

12. Article 49, third subparagraph:

"100,000 units of account" is replaced by "200,000 ECU".

13. Article 50 :

"200 units of account" and "500 units of account" are replaced by "300 ECU" and "750 ECU" respectively.

14. Article 51 : The following paragraph shall be added to this article :

"2. The ceilings specified in article 46 to 50, and expressed in ECU, shall be automatically adjusted in line with changes to corresponding ceilings specified in the Financial Regulation applicable to the general budget of the European Communities."

15. Article 56, third subparagraph:

This subparagraph is deleted.

16. Article 62 (3): third and fourth subparagraphs are inserted thus:

"A special allowance is granted to the accounting officer, assistant accounting officers and administrators of advance funds. The sums corresponding to this allowance shall be credited each month to an account opened by the Foundation on behalf of each official in order to establish a guarantee fund for the purpose of covering any cash or bank shortage for which the person concerned might render himself liable, in so far as such shortages have not been covered by refunds from insurance companies.

The credit balance in these guarantee accounts shall be paid over to the persons concerned when they terminate their appointment as accounting officer, assistant accounting officer or administrator of advance funds."

17. Article 66 : The first sentence of this article is replaced by the following:

"The revenue and expenditure account shall include the following tables classified in accordance with the nomenclature of the statement of revenue and expenditure of the Foundation".

paragraph 1 :

a) The text of the third indent is replaced by the following:

"-revenue collected during the financial year";

- b) The following are inserted as fourth and fifth indents :
 - "- entitlements still to be collected from the preceding financial year";
 - "- entitlements established in the course of the financial year";
- c) The existing fourth indent becomes the sixth indent.

paragraph 3 :

In the first sentence the words "trend in" are replaced by the words "use of".

paragraph 4 :

- a) In the first sentence the words "trend in" are replaced by the words "use of".
- b) The fourth indent is deleted.

18. Article 68 : The text of this article is replaced by the following :

"The Administrative Board shall, by 31 March at the latest, send the revenue and expenditure account and the balance sheet of the Foundation for the preceding financial year to the Commission, the Council, the European Parliament and the Court of Auditors".

19. Article 71, fourth subparagraph: The following words are deleted:

"or by one of its members, such requests shall be in writing".

20. Article 73, second subparagraph: The text of this subparagraph is replaced by the following text :

"The Foundation shall submit the revenue and expenditure account, the balance sheet and the report of the Court of Auditors, together with the replies to the comments, to the European Parliament and the Council by 31 October at the latest. The report of the Court of Auditors and the Foundation's replies to the observations shall be published by the Court of Auditors in the Official Journal of the European Communities".

21. Article 74, first subparagraph: The text of this subparagraph is replaced by the following:

"The European Parliament, upon a recommendation from the Council, which shall act by a qualified majority, shall, before 30 April of the next year, give a discharge to the Administrative Board of the Foundation in respect of the implementation of the statement of revenue and expenditure. If that date cannot be met, the Council or the European Parliament shall inform the Administrative Board of the reasons for postponing the decision".

ARTICLE TWO

The designation "unit of account" as used in the existing text of Regulation (EEC) N° 1417/76 is replaced by the designation "ECU". The articles affected by this change, including those amended in Article 1 are:

Article 10

Article 46, point (a)

Article 48

Article 49, third subparagraph

Article 50

Article 51, (2)

Article 56, second subparagraph

ARTICLE THREE

This regulation shall enter into force on the third day following that of its publication in the Official Journal of the European Communities.

This regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels

ANNEX I

AMENDED

REGULATION (EEC) N° 337/75 OF THE COUNCIL of 10 February 1975 on the
creation of a European Centre for the Development of Vocational Training.

I

(Acts whose publication is obligatory)

REGULATION (EEC) No 337/75 OF THE COUNCIL

of 10 February 1975

establishing a European Centre for the Development of Vocational Training

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 235 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament⁽¹⁾;

Having regard to the Opinion of the Economic and Social Committee⁽²⁾;

Whereas on the basis of Article 128 of the Treaty, the Council, in its Decision of 2 April 1963⁽³⁾, laid down general principles for implementing a common vocational training policy;

Whereas under Article 118 of the Treaty the Commission has the task of promoting close cooperation between Member States in the social field, particularly in matters relating to basic and advanced vocational training;

Whereas the Council, in its resolution of 21 January 1974⁽⁴⁾ concerning a social action programme, made one of the objectives of that programme the implementation of a common vocational training policy with a view to attaining progressively the principal objectives thereof, especially approximation of training standards, in particular by setting up a European Vocational Training Centre; whereas, furthermore, the Council decided that this objective should be given priority;

Whereas the implementation of a common vocational training policy gives rise to ever more complex problems, and whereas the solution of those problems requires a large degree of involvement on the part of those concerned, and more especially on the part of both sides of industry;

Whereas the setting up of a European Centre for the Development of Vocational Training — a body independent of the departments of the Commission, but which must cooperate with them to the full — is necessary for the effective implementation of that common policy, and whereas the Treaty has not provided the specific powers necessary for setting up such a centre;

Whereas the centre will be set up within the framework of the European Communities and will function in accordance with Community law; whereas the conditions under which certain general provisions will apply should be defined,

HAS ADOPTED THIS REGULATION:

Article 1

A European Centre for the Development of Vocational Training, hereinafter called 'the centre', is hereby set up.

In each of the Member States, the centre shall enjoy the most extensive legal capacity accorded to legal persons.

The centre shall be non-profit making. It shall have its seat in Berlin (West).

Article 2

1. The aim of the centre shall be to assist the Commission in encouraging, at Community level, the promotion and development of vocational training and of in-service training.

To that end, within the framework of the guidelines laid down by the Community, it shall contribute, through its scientific and technical activities, to the implementation of a common vocational training policy.

It shall, in particular, encourage the exchange of information and the comparison of experience.

(1) OJ No C 127, 18. 10. 1974, p. 20.

(2) OJ No C 125, 16. 10. 1974, p. 41.

(3) OJ No 63, 20. 4. 1963, p. 1338/63.

(4) OJ No C 13, 12. 2. 1974, p. 1.

2. The main tasks of the centre shall be :

- to compile selected documentation relating in particular to the present situation, the latest developments and research in the relevant fields, and to matters of vocational training structure ;
- to contribute to the development and coordination of research in the above fields ;
- to disseminate all useful documentation and information ;
- to encourage and support any initiative likely to facilitate a concerted approach to vocational training problems. The centre's activity in this respect shall deal in particular with the problem of the approximation of standards of vocational training with a view to the mutual recognition of certificates and other documents attesting completion of vocational training ;
- to provide a forum for all those concerned.

3. In its activities the centre shall take into account the links which exist between vocational training and the other branches of education.

Article 3

1. The centre shall take the measures necessary for the attainment of its objectives. It may in particular :

- organize courses and seminars ;
- conclude study contracts and commission or, where necessary, carry out pilot projects or individual projects to assist the implementation of the centre's work programme ;
- publish and distribute useful documentation, including a Community vocational training bulletin.

2. In carrying out its tasks, the centre shall establish appropriate contacts, particularly with specialized bodies, whether public or private, national or international, with public authorities and educational institutions and with workers' and employers' organizations.

Article 4

1. The centre shall be administered by a Management Board comprising 30 members of whom :

- (a) nine members shall represent the Governments of the Member States ;
- (b) nine members shall represent the employers' professional organizations ;
- (c) nine members shall represent the employees' trade union organizations ;
- (d) three members shall represent the Commission.

The members referred to in (a), (b) and (c) shall be appointed by the Council on the basis of one member per Member State for each of those groups.

The Commission shall appoint the members who are to represent it.

2. The term of office of members shall be three years. It shall be renewable. Upon the expiry of their term of office or in the event of their resignation, members shall remain in office until their appointments are renewed or until they are replaced.

3. The Management Board shall elect its Chairman and three Vice-Chairmen from among its members, to serve for a period of one year

4. The Chairman shall convene the Management Board at least twice a year or at the request of at least one-third of its members.

5. Decisions by the Management Board shall be taken by an absolute majority of its members.

Article 5

The Management Board shall adopt its rules of procedure, which shall enter into force when approved by the Council, acting on the Opinion of the Commission.

It shall decide whether to set up *ad hoc* working parties on the basis of the requirements of the annual work programme. It shall regularly inform the Commission of the activities of the centre.

Article 6

1. The director of the centre shall be appointed by the Commission from a list of candidates submitted by the Management Board.

2. The term of office of the director shall be renewable every five years.

Article 7

1. The director shall carry out the decisions of the Management Board and shall be responsible for the day-to-day administration of the centre. He shall be the legal representative of the centre.

2. He shall prepare and organize the work of the Management Board and provide the Secretariat for their meetings.

3. He shall coordinate the activities of the working parties.

4. He shall be responsible for all staff matters and for engaging and dismissing staff.

5. He shall be accountable to the Management Board for his activities.

Article 8

1. On the basis of a draft submitted by the director, the Management Board shall adopt the annual work programme in agreement with the Commission. The programme shall take into account the priority needs indicated by the Community institutions.
2. The centre shall take into account the activities of other bodies working in the field of vocational training when planning its own work.

Article 9

The Management Board shall, by 31 March at the latest, adopt an annual general report on the activities and financial situation of the centre and shall submit it to the Community institutions, to the Economic and Social Committee, and to the Court of Auditors.

Article 10

The Management Board shall draw up a statement of all revenue and expenditure, which shall be in balance, for each financial year, which shall be the same as the calendar year.

Article 11

1. The Management Board shall, by 31 March each year at the latest, send the Commission an estimate of revenue and expenditure. This estimate, which shall include an establishment plan, shall be forwarded by the Commission to the Council with the preliminary draft budget of the European Communities.

2. The budget of the European Communities shall each year, under a specific heading, include a subsidy for the centre.

The procedure in force for the transfer of appropriations from one chapter to another shall apply to the appropriation for this subsidy.

The budget authority shall draw up the establishment plan of the centre.

3. The Management Board shall adopt the estimate of revenue and expenditure before the beginning of the financial year, adjusting it to the subsidy granted by the budget authority. The estimate thus adopted shall be forwarded by the Commission to the budget authority.

Article 12

1. The financial provisions applying to the centre shall be adopted under Article 209 of the Treaty.

2. The Management Board shall, by 31 March at the latest, send the accounts of all the revenue and

expenditure of the centre for the preceding financial year to the Court of Auditors. The latter shall examine them in accordance with the second paragraph of Article 206a of the Treaty.

3. The accounts and the report of the Court of Auditors, together with the observations of the Management Board of the Centre, shall be sent by the Centre, on the 31 October at the latest, to the European Parliament, the Council, the Commission, and the Court of Auditors; the European Parliament, upon a recommendation from the Council, which shall act by a qualified majority, shall give a discharge to the Management Board of the Centre, in accordance with Article 206b of the Treaty.

4. The financial controller of the Commission shall be responsible for checking the commitment and payment of all expenditure and the recording and recovery of all revenue of the centre.

Article 13

The provisions governing the staff of the centre shall be adopted by the Council, acting on a proposal from the Commission.

Article 14

Members of the Management Board, the Director, the staff and all other persons participating in the activities of the centre shall be required, even after their duties have ceased, not to disclose information of the kind covered by the obligation of professional secrecy.

Article 15

The rules governing the languages of the European Communities shall apply to the centre.

Article 16

The Protocol on the privileges and immunities of the European Communities shall apply to the centre.

Article 17

1. The contractual liability of the centre shall be governed by the law applicable to the contract in question.

The Court of Justice of the European Communities shall have jurisdiction to give judgment pursuant to any arbitration clause contained in a contract concluded by the centre.

2. In the case of non-contractual liability, the centre shall, in accordance with the general principles common to the laws of the Member States, make good any damage caused by the centre or its servants in the performance of their duties.

The Court of Justice shall have jurisdiction in disputes relating to compensation for any such damage.

3. The personal liability of servants towards the centre shall be governed by the relevant provisions applying to the staff of the centre.

Article 18

Member States, members of the Management Board and third parties directly and personally involved may refer to the Commission any act of the centre, whether express or implied, for the Commission to examine the legality of that act.

Referral shall be made to the Commission within 15 days of the day on which the party concerned first became aware of the act in question.

The Commission shall take a Decision within one month. If no Decision has been taken within this period, the case shall be deemed to have been dismissed.

Article 19

This Regulation shall enter into force on the third day following its publication in the *Official Journal of the European Communities*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 10 February 1975.

For the Council
The President
G. FITZGERALD

ANNEX II

AMENDED

REGULATION (EEC) N° 1365/75 OF THE COUNCIL of 26 May 1975 on the creation
of a European Foundation for the Improvement of Living and Working Conditions.

I

(Acts whose publication is obligatory)

REGULATION (EEC) No 1365/75 OF THE COUNCIL

of 26 May 1975

on the creation of a European Foundation for the improvement of living and working conditions

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, in particular Article 235 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament⁽¹⁾;

Having regard to the Opinion of the Economic and Social Committee⁽²⁾;

Whereas the problems presented by the improvement of living and working conditions in modern society are increasingly numerous and complex; whereas it is important that appropriate Community action should be built up on an inter-disciplinary scientific basis and at the same time that employers and workers should be associated in the action undertaken;

Whereas the Community is not yet in a position to undertake analyses, studies and research systematically and scientifically;

Whereas the programme of action of the European Communities on the environment⁽³⁾ lays down that the Community institutions should set up a body capable of scanning those elements which, through their combined effects, affect living and working conditions, and of carrying out a long-term forward study of those factors which may endanger the conditions of existence and those which are capable of improving them;

Whereas the Council resolution of 21 January 1974⁽⁴⁾ concerning a social action programme, lays down *inter alia* an action programme for workers, aimed at humanizing living and working conditions;

Whereas the establishment of a Foundation is necessary if Community objectives for the improvement of living and working conditions are to be attained;

Whereas the powers required for the creation of such a Foundation are not provided for in the Treaty;

Whereas the Foundation will be set up within the framework of the European Communities and will function in accordance with Community law; whereas the conditions under which certain general provisions will apply should be defined,

HAS ADOPTED THIS REGULATION:

Article 1

A European Foundation for the improvement of living and working conditions, hereinafter called 'the Foundation', is hereby established.

Article 2

1. The aim of the Foundation shall be to contribute to the planning and establishment of better living and working conditions through action designed to increase and disseminate knowledge likely to assist this development.

2. With this aim in view, the tasks of the Foundation shall be to develop and to pursue ideas on the medium- and long-term improvement of living and working conditions in the light of practical experience and to identify factors leading to change. The Foundation shall take the relevant Community policies into account when carrying out its tasks. It shall advise the Community institutions on foreseeable objectives and guidelines by forwarding in particular scientific information and technical data.

(1) OJ No C 76, 3. 7. 1974, p. 33.

(2) OJ No C 109, 19. 9. 1974, p. 37.

(3) OJ No C 112, 20. 12. 1973, p. 3.

(4) OJ No C 13, 12. 2. 1974, p. 1.

3. As regards the improvement of living and working conditions, it shall deal more specifically with the following issues, determining the priorities to be observed:

- man at work,
- organization of work and particularly job design,
- problems peculiar to certain categories of workers,
- long-term aspects of improvement of the environment,
- distribution of human activities in space and in time.

Article 3

1. In order to achieve its aim, the Foundation shall foster the exchange of information and experience in these fields and shall, where appropriate, set up a system of information and documentation. It may, for example:

- (a) facilitate contact between universities, study and research institutes, economic and social administrations and organizations and encourage concerted action;
- (b) set up working groups;
- (c) conclude study contracts, participate in studies, promote and provide assistance for pilot projects and, where required, itself carry out certain studies;
- (d) organize courses, conferences and seminars.

2. The Foundation shall cooperate as closely as possible with specialized institutes, foundations and bodies in the Member States or at international level.

Article 4

1. The Foundation shall be non-profit making. It shall enjoy in all the Member States the most extensive legal capacity accorded to legal persons.

2. The seat of the Foundation shall be in Ireland.

Article 5

The Foundation shall comprise:

- an Administrative Board,
- a director and deputy director,
- a Committee of Experts.

Article 6

1. The Administrative Board shall consist of 30 members, of whom:

- (a) nine members shall represent the Governments of the Member States,
- (b) nine members shall represent the employers' organizations,

(c) nine members shall represent the employees' organizations,

(d) three members shall represent the Commission.

2. The members referred to in (a), (b) and (c) shall be appointed by the Council on the basis of one member for each Member State and for each of the abovementioned categories. The Council shall at the same time appoint under the same conditions an alternate to attend meetings of the Administrative Board only in the absence of the member. The Commission shall appoint the members and alternates who are to represent it.

3. The term of office of members of the Administrative Board shall be three years. It shall be renewable. Upon the expiry of their term of office or in the event of their resignation, members shall remain in office until their appointments are renewed or until they are replaced.

4. The Administrative Board shall elect its chairman and three deputy chairmen from among its members, to serve for a period of one year.

5. The Chairman shall convene the Administrative Board at least twice a year and at the request of at least one-third of its members.

6. Decisions by the Administrative Board shall be taken by an absolute majority of its members.

Article 7

1. The Administrative Board shall administer the Foundation whose guidelines it shall lay down after consultation with the Committee of Experts. On the basis of a draft submitted by the director, the Administrative Board shall, in agreement with the Commission, adopt the programme of work.

2. It shall adopt its rules of procedure which shall enter into force after being approved by the Council, following consultation with the Commission.

3. It shall decide whether to accept any legacy, donation or subsidy from sources other than the Community.

Article 8

1. The director and deputy director of the Foundation shall be appointed by the Commission from a list of candidates submitted by the Administrative Board.

2. The director and the deputy director shall be chosen on the grounds of their competence and their independence shall be beyond doubt.

3. The director and the deputy director shall be appointed for a maximum period of five years. Their term of office shall be renewable.

Article 9

1. The director shall direct the Foundation and shall implement the decisions of the Administrative Board. He shall be the legal representative of the Foundation.
2. Under the provisions relating to staff, the director shall have authority over the staff of the Foundation. He shall be responsible for their recruitment and dismissal and for stipulating the qualifications required of them.
3. The director shall prepare the activities of the Administrative Board. The director, or the deputy director, or both, shall attend the meetings of this board.
4. The director shall be accountable to the Administrative Board for the running of the Foundation.

Article 10

1. The Committee of Experts shall consist of 12 members appointed by the Council on a proposal from the Commission and selected from among scientific and other circles concerned in the Foundation's activity.
2. The Commission will take into account when drawing up its proposal:
 - the need to maintain a balance between the two complementary aspects of the Foundation — i.e. living conditions and working conditions;
 - the need for the best possible scientific and technical advice;
 - the need for at least one national from each Member State to be appointed.
3. The term of office of the members of the Committee of Experts shall be three years and shall be renewable.

Article 11

1. The task of the Committee of Experts shall be to deliver opinions to the other organs of the Foundation in all fields falling within the latter's competence, either at the request of the director or on its own initiative. All its opinions, including that given to the director for drawing up the programme of work (referred to in Article 12), shall be communicated simultaneously to the director and the Administrative Board.
2. The Committee shall select a chairman from among its members and draw up its rules of procedure.
3. The committee shall be convened by its chairman, by agreement with the director. Meetings shall be held at least twice a year and when requested by at least seven of its members.

Article 12

1. The director shall draw up an annual programme of work before 1 July each year on the basis of the

guidelines referred to in Article 7. The annual programme shall be part of a four-year rolling programme. The projects in the annual programme shall be accompanied by an estimate of the necessary expenditure.

When drawing up the programme, the director shall take account of the opinions of the Committee of Experts, as well as of those of the Community institutions and the Economic and Social Committee.

To this end, and in order to avoid any duplication of work, the Community institutions and the Economic and Social Committee shall inform the Foundation of their requirements and as far as possible of any relevant work and studies which they are carrying out themselves.

2. The director shall forward the programme of work to the Administrative Board for approval.

Article 13

1. Not later than 31 March of each year, the director shall prepare a general report on the activities, financial situation and future guidelines of the Foundation.
2. After its adoption by the Administrative Board, the director shall forward the general report to the Community institutions, the Economic and Social Committee, and the Court of Auditors.

Article 14

The Administrative Board shall draw up a balanced statement of all revenue and expenditure for each financial year, which shall be the same as the calendar year.

Article 15

1. The Administrative Board shall, by 31 March each year at the latest, send the Commission an estimate of revenue and expenditure. This estimate, which shall include an establishment plan, shall be forwarded by the Commission to the Council with the preliminary draft budget of the European Communities.
2. The budget of the European Communities shall each year, under a specific heading, include a subsidy for the Foundation.

The procedure in force for the transfer of appropriations from one chapter to another shall apply to the appropriation for this subsidy.

The Budget Authority shall draw up the establishment plan of the Foundation.

3. The Administrative Board shall adopt the estimate of revenue and expenditure before the beginning of the financial year, adjusting it to the subsidy granted by the Budget Authority. The estimate thus adopted shall be forwarded by the Commission to the Budget Authority.

Article 16

1. The financial provisions applying to the Foundation shall be adopted under Article 209 of the Treaty.

2. The Administrative Board shall by 31 March at the latest, send the accounts of all the revenue and expenditure of the Foundation for the preceding financial year to the Court of Auditors.

The latter shall examine them in accordance with the second paragraph of Article 206a of the Treaty.

~~The accounts and the report of the Court of Auditors, together with the observations of the Administrative Board of the Foundation, shall be sent by the Foundation, on the 31 October at the latest, to the European Parliament, the Council, the Commission, and the Court of Auditors. The European Parliament, upon a recommendation from the Council, which shall act by a qualified majority, shall give a discharge to the Administrative Board of the Foundation, in accordance with Article 206b of the Treaty.~~

4. The financial controller of the Commission shall be responsible for checking the commitment and payment of all expenditure and the recording and recovery of all revenue of the Foundation.

Article 17

The provisions governing the staff of the Foundation shall be adopted by the Council, acting on a proposal from the Commission.

Article 18

Members of the Administrative Board, the director, the deputy director, the staff and all other persons participating in the activities of the Foundation shall be required, even after their duties have ceased, not to disclose information of the kind covered by the obligation of professional secrecy.

Article 19

The rules governing the languages of the European Communities shall apply to the Foundation.

Article 20

The Protocol on the privileges and immunities of the European Communities shall apply to the Foundation.

Article 21

1. The contractual liability of the Foundation shall be governed by the law applicable to the contract in question.

The Court of Justice of the European Communities shall have jurisdiction to give judgment pursuant to any arbitration clause contained in a contract concluded by the Foundation.

2. In the case of non-contractual liability, the Foundation shall, in accordance with the general principles common to the laws of the Member States, make good any damage caused by the Foundation or its servants in the performance of their duties.

The Court of Justice of the European Communities shall have jurisdiction in disputes relating to compensation for any such damage.

3. The personal liability of servants towards the Foundation shall be governed by the relevant provisions applying to the staff of the Foundation.

Article 22

Member States, members of the Administrative Board and third parties directly and personally involved may refer to the Commission any act of the Foundation, whether express or implied, for the Commission to examine the legality of that act.

Referral shall be made to the Commission within 15 days of the day on which the party concerned first became aware of the act in question.

The Commission shall take a decision within one month. If no decision has been taken within this period, the case shall be deemed to have been dismissed.

Article 23

This Regulation shall enter into force on the third day following its publication in the *Official Journal of the European Communities*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Luxembourg, 26 May 1975.

For the Council

The President

ANTHONY CLINTON

ANNEX III

AMENDED

COUNCIL REGULATION (EEC) N° 1416/76 of 1 June 1976 on the financial provisions applying to the European Centre for the Development of Vocational Training.

I

(Acts whose publication is obligatory)

COUNCIL REGULATION (EEC) No 1416/76

of 1 June 1976

on the financial provisions applying to the European Centre for the Development of Vocational Training

TITLE I

GENERAL PRINCIPLES

Article 1

1. Each year a statement of revenue and expenditure shall forecast and authorize the estimated revenue and expenditure of the Centre.

2. Expenditure may be authorized for a period going beyond the financial year only in accordance with the detailed rules provided for in the statement of revenue and expenditure.

Administrative expenditure arising from contracts which have been concluded in accordance with local

usage for periods going beyond the financial year is not subject to the provisions of the preceding subparagraph. Such expenditure shall be charged to the statement of revenue and expenditure for the financial year in which it is incurred.

Article 2

The appropriations entered in the statement of revenue and expenditure shall be used in accordance with the principles of economy and sound financial management.

Article 3

1. All revenue and expenditure shall be entered in full in the statement of revenue and expenditure and in the accounts.

All revenue shall cover all expenditure.

2. Notwithstanding the provisions of the second subparagraph of paragraph 1, any revenue intended for a specific purpose, such as income from foundations, subsidies, gifts and bequests, shall not be used for any other purpose.

After informing the Commission the Management Board may accept any donation made to the Centre, and in particular foundations, subsidies, gifts and bequests.

The Management Board shall accept donations which may involve any kind of financial charge only subject to authorization from the Commission which shall vote on the matter within two months from the date of receipt of the request from the Management Board. If no objection has been made within this period, the Management Board shall take a final decision on acceptance.

Article 4

No revenue shall be collected and no expenditure effected unless credited to or charged against an Article in the statement of revenue and expenditure.

Save as otherwise provided in this Regulation, expenditure may not be committed in excess of the appropriations authorized for the financial year or of the authorizations granted in respect of subsequent financial years.

No expenditure shall be authorized in excess of the allotted appropriations. The total amount of the proceeds shall be entered in the accounts without any adjustment of revenue against expenditure, save as otherwise provided in Article 22.

Article 5

The financial year shall correspond to the calendar year.

The revenue of a financial year shall be entered in the accounts for the financial year in which it is collected.

The allotted appropriations may be used solely to cover expenditure properly entered into and paid under the financial year for which they were granted,

save as otherwise provided in Article 6, and to cover the debts relating to preceding financial years for which no appropriation was carried forward.

The expenditure of a financial year shall be entered in the accounts for that year on the basis of expenditure the authorization for which reached the Financial Controller not later than 31 December, and for which the corresponding payments were effected not later than the following 15 January.

Article 6

1. (a) The appropriations relating to staff may not be carried forward.
- (b) The appropriations not committed as at 31 December may be carried forward to the next financial year only.
- (c) The appropriations in respect of payments still outstanding as at 31 December for commitments properly entered into between 1 January and 31 December shall be carried forward automatically to the next financial year only.

2. For the appropriations mentioned in paragraph 1 (b) the Commission shall submit to the Council and shall forward to the European Parliament, before 21 April, the duly documented requests to carry forward appropriations which the Centre has sent to it before 1 March.

Upon reception of the request to carry forward appropriations, the Council shall consult the Parliament, which shall give its opinion as soon as possible that is, within a period which shall not normally exceed four weeks from the date of reception of the Council's request for that opinion. Unless the Council, acting by a qualified majority, decides otherwise within six weeks from the date of reception of the request to carry forward appropriations, the carry-over of these appropriations shall be deemed to have been approved.

3. Unexpended revenue and appropriations still available on 31 December, arising out of the donations referred to in Article 3 (2) shall be carried forward automatically.

4. The appropriations referred to in paragraph 1 (b) which have not been committed on 31 December and for which authority to carry forward to the next financial year has been given shall lapse if they have not been committed or paid out by the end of the said financial year.

5. The Commission shall be provided, for its information, before 1 March, with a list of the appropriations to be carried forward automatically. The Commission shall forward this list to the European Parliament and the Council for their information.

6. When implementing the statement of revenue and expenditure, details of the utilization of appropriations carried forward shall be entered separately article by article in the accounts for the current financial year.

Article 7

Current administrative expenditure chargeable to the next financial year and which, by its nature, arises at the beginning of that financial year may, as from 15 November of each year, be charged as an expected commitment against the appropriations provided for in respect of the next financial year up to a maximum of one quarter of the total corresponding appropriations for the current year. However, such commitments shall not apply to new expenditure of a kind not yet approved in principle in the statement of revenue and expenditure of the then current financial year.

Article 8

If the statement of revenue and expenditure is not finally adopted at the beginning of the financial year, Article 204 of the Treaty establishing the European Economic Community shall apply to commitments and payments of expenditure of a kind already approved in principle in the last statement duly adopted.

Payments may be made monthly in respect of any chapter up to one-twelfth of the total appropriations entered in the chapter in question for the preceding financial year; this may not, however, have the effect of placing at the disposal of the Centre monthly

appropriations in excess of one-twelfth of the amount of the subsidy reserved for the Centre in the draft budget or, in the absence thereof, in the preliminary draft budget of the Communities. Commitments may be entered into in respect of the relevant chapter up to one-quarter of the total appropriations entered in the chapter in question for the preceding financial year increased by one-twelfth for each completed month; the amount of the subsidy reserved for the Centre in the draft budget or, in the absence thereof, in the preliminary draft budget of the Communities may not, however, be exceeded.

At the request of the Management Board and without prejudice to the provisions of the second paragraph, the Commission may, in the light of administrative requirements, authorize two or more provisional twelfths simultaneously.

Article 9

The statement of revenue and expenditure of the Centre and the list of posts shall be published for information purposes in the *Official Journal of the European Communities*, at the same time as the budget of the Communities.

Article 10

The statement of revenue and expenditure shall be drawn up in ECUs. The value of the ECU shall be that laid down in the Financial Regulation applicable to the general budget of the European Communities.

TITLE II

PRESENTATION AND STRUCTURE OF THE STATEMENT OF REVENUE AND EXPENDITURE

Article 11

1. The Management Board of the Centre shall send the Commission by 31 March at the latest an estimate of the Centre's revenue and expenditure for the following year. This estimate shall include a list of posts.

2. In the event of unavailability, exceptional, or unforeseen circumstances, the Management Board of the Centre may send supplementary or amending estimates to the Commission. Such estimates shall be presented and adopted in the same form and following the same procedure as the statement whose forecasts they

amend. They must be justified by reference to the statement.

Supplementary estimates must be submitted to the Commission as a general rule not later than the date laid down for submitting the estimate for the following financial year.

3. Where necessary, the Commission may make proposals to the budgetary authority concerning appropriate steps to be taken to amend the subsidy entered in the budget of the Communities under Article 13. In their deliberations the competent authorities shall take into account the urgency of the matter.

Article 12

1. In support of the estimate there shall be submitted:

- a list of posts including, for each category of staff, a detailed list of authorized posts and actual numbers of persons holding posts on the date of submission of the estimate of revenue and expenditure;
- where a change in the numbers of persons holding posts is proposed, a statement giving the reason for requesting new posts;
- a quarterly estimate of cash payments and receipts.

2. As a preface to the estimate the Management Board shall submit a general introductory note containing in particular:

- an outline of the policy justifying the request for the appropriations;
- an explanation of the changes in appropriations from one financial year to the next.

Furthermore, the Commission shall attach to the estimate an opinion which may contain different estimates duly supported.

3. The Commission may — if appropriate at the request of the Management Board — present, by means of a letter of amendment, proposals for changes to the estimate of revenue and expenditure necessitated by the receipt of new information which was not previously available.

However, save in very exceptional circumstances, the Commission must put such a letter of amendment to the Council at least 30 days before the first reading of the draft General Budget by the European Parliament, and the Council must put the letter to the European Parliament at least 15 days before the said first reading.

Article 13

The subsidy for the Centre shall be made available to it in accordance with the rules laid down in TITLE III of this Regulation.

IMPLEMENTATION OF THE STATEMENT OF REVENUE AND EXPENDITURE

SECTION I

GENERAL PROVISIONS

Article 17

The statement of revenue and expenditure shall be implemented in accordance with the principle that the authorizing officers and accounting officers are different individuals.

The appropriations shall be administered by the authorizing officer who alone is empowered to enter into commitments regarding expenditure, establish

Article 14

The Management Board shall adopt the statement of revenue and expenditure before the beginning of the financial year, adjusting it to the subsidy granted by the budget authority.

The statement thus adopted shall be forwarded to the Commission forthwith.

Article 15

The statement of revenue and expenditure shall be subdivided into titles, chapters, articles and items according to the nature of the revenue or expenditure or the intended purpose thereof. It shall show:

- (a) the appropriations made available for the financial year in question divided into titles, chapters, articles and items, following a decimal classification system;
- (b) the appropriations made available for the preceding financial year and the actual expenditure for the last financial year for which the accounts have been closed, increased by the amounts carried forward, using the same classification;
- (c) appropriate comments on each subdivision;
- (d) in an annex a list of posts fixing the number of posts for each grade in each category and in each service.

Article 16

The list of posts drawn up by the budget authority shall constitute a binding limit for the Centre; no appointment may be made in excess of that limit.

Article 18

The Management Board of the Centre shall implement the statement of revenue and expenditure on its own responsibility in accordance with this Regulation and within the limits of the appropriations allotted.

the sums due to be collected and issue receivable orders and payment orders. The operations of collection or payment shall be carried out by the accounting officer. The duties of an authorizing officer shall be incompatible with those of a financial controller or accounting officer.

The Management Board shall delegate its powers under conditions to be laid down by it and within the limits set in the instrument of delegation which shall be communicated to the delegatee, the accounting officer, the Financial Controller and the Court of Auditors.

Article 19

The Financial Controller of the Commission shall be responsible for checking the commitment and payment of all expenditure and the establishment and recovery of all revenue of the Centre.

The check shall be carried out by that official by means of inspection of the files relating to expenditure and revenue and, if necessary, on the spot.

The Financial Controller may be assisted in his duties by one or more assistant financial controllers.

The special rules applicable to such officials, which shall be laid down in the measures of implementation provided for under Article 76, shall be so formulated as to guarantee that such officials are independent in the discharge of their duties.

Article 20

The collection of revenue and the payment of expenditure shall be carried out by an accounting officer nominated by the Management Board.

Subject to the second subparagraph of Article 42, and to Article 43, the accounting officer alone is empowered to manage funds and assets. He shall be responsible for their safe-keeping.

He may be assisted in his duties by one or more assistant accounting officers, nominated under the same conditions as the accounting officer.

Article 21

1. The appropriations shall be classified by chapter and article.

2. The appropriations entered under a chapter of expenditure may not be used for the purposes of any other chapter of expenditure.

3. However, the Management Board may propose to the Commission that appropriations be transferred from one chapter to another.

The Commission shall act within one month. If it has not so acted, the transfers shall be deemed to be approved.

The Management Board or, by delegation, the Director of the Centre may authorize transfers between articles on behalf of the Centre.

The Commission shall be informed of such transfers.

4. Every proposal for a transfer within a chapter or between chapters shall be subject to the approval of the Financial Controller who shall attest that the appropriations are available.

5. This Article shall apply to the appropriations for revenue allocated for a specific purpose within the meaning of Article 3 (2) only as long as that revenue is not used for any other purpose.

Article 22

Notwithstanding Article 4:

(a) the following deductions may be made from all bills, invoices or statements, which shall then be passed for payment of the net amount:

- fines imposed on a party to a contract or an accepted tender;
- adjustments of amounts paid in error which can be achieved by means of deduction beforehand against a payment of the same kind of expenditure out of appropriations under the chapter, article and financial year in respect of which the excess payment was made;
- the value of vehicles, apparatus, equipment and installations taken in part exchange in accordance with commercial usage upon purchase of new apparatus, vehicles, equipment and installations of the same kind.

Discounts, refunds and rebates on invoices and bills shall not be recorded as separate revenue;

(b) the following sums may be reused:

- revenue arising from the refund of amounts paid in error against appropriations entered in the statement of revenue and expenditure;
- the proceeds from the supply of goods and services to other institutions or bodies,

- including the reimbursement of mission allowances paid for the account of those institutions or bodies, and reimbursed by them;
- the amount of insurance indemnities received;
- the revenue from the sale of publications and films;
- the amount of the refund of fiscal charges incorporated in the price of the products or services provided to the Centre, effected by Member States pursuant to the provisions of the Protocol on the privileges and immunities of the European Communities;
- the revenue from the supply of goods and services and from building works against payment;
- the proceeds from the sale of vehicles, equipment and installations and also apparatus and equipment for technical and scientific purposes, when they are replaced.

The reuse of such sums must take place before the end of the financial year which follows the one in which the revenue was collected:

The accounting plan shall include suspense accounts in order to record the re-use of sums in respect of revenue and expenditure.

- (c) adjustments may be made in respect of the losses and gains made on the rates of exchange when transferring funds and also on debtor and creditor interest rates relating to cash operations, only the balance being shown as revenue or expenditure.

The accounting plan shall provide for suspense accounts in order to record the reuse of such sums in terms of both revenue and expenditure.

SECTION II

REVENUE AND MANAGEMENT OF AVAILABLE FUNDS

Article 23

1. Every measure which is such as to give rise to a debt due to the Centre must be preceded by a proposal from the authorizing officer. Such proposals shall be forwarded to the Financial Controller. They shall mention, in particular, the type of revenue, the estimated amount thereof and the item to which it is to be credited and also the name and description of the debtor. They shall be registered after approval by the Financial Controller. The latter's approval shall serve to certify that:

- (a) the revenue is correctly credited;

- (b) the proposal is in order and conforms to the relevant provisions, in particular, of the statement of revenue and expenditure applying to the Centre and of all acts made in implementation of those Regulations, and to the principles of sound financial management.

The Financial Controller may withhold his approval. The authorizing officer may, by a decision stating the full reasons therefor, and on his sole responsibility, overrule this refusal. The decision of the authorizing officer shall be implemented; it shall be communicated for information to the Financial Controller. The Management Board of the Centre shall periodically inform the Court of Auditors of each one of these decisions.

2. The competent authorizing officer shall draw up, in respect of every debt established, a recovery order which shall be sent with supporting documents to the financial controller for his prior approval. Such recovery orders shall, after they have received the approval of the financial controller, be registered by the accounting officer.

The purpose of the approval shall be to establish that :

- (a) the revenue is booked to the correct budget item;
- (b) the order is in order and conforms to the relevant provisions;
- (c) the supporting documents are in order;
- (d) the debtor is correctly described;
- (e) the due date is indicated;
- (f) the order conforms to sound financial management;
- (g) the amount and currency of the sum to be recovered are correct;

If approval is withheld, the second subparagraph of paragraph 1 shall apply.

Article 24

1. The accounting officer shall assume responsibility for the recovery orders duly drawn up.

He shall exercise all due diligence to ensure that the resources due to the Communities are recovered at the due dates indicated in the recovery orders, and shall ensure that the rights of the Communities are safeguarded.

The accounting officer shall inform the authorizing officer and the financial controller of any revenue not recovered within the time limits laid down.

2. If the Management Board waives the right to recover an established debt, it shall inform the financial controller.

The purpose of the approval of the financial controller shall be to establish that the waiver is in order and conforms with the principles of sound financial management. The proposal concerned shall be registered by the accounting officer.

If approval is withheld, the Management Board may, by a decision stating the full reasons therefor, and on its sole responsibility, overrule this refusal. This decision shall be final and binding; it shall be communicated for information to the financial controller. The Management Board shall periodically inform the Court of Auditors of all such decisions.

When the financial controller finds that a document establishing a debt has not been drawn up, or that a sum due has not been recovered, he shall inform the Management Board thereof.

Article 25

A receipt shall be issued in respect of all cash payments made to the accounting officer.

Article 26

The subsidy entered in the budget of the Communities shall be paid to the Centre in quarterly instalments, by the 15th day of each quarter, on the basis of the estimate referred to in the third indent of Article 12 (1) and in accordance with actual requirements.

SECTION III

COMMITMENT, CLEARANCE, AUTHORIZATION AND PAYMENT OF EXPENDITURE

1. Commitment of expenditure

Article 27

1. All measures which may give rise to expenditure chargeable to the statement of revenue and expenditure must be preceded by a proposal for commitment of expenditure from the authorizing officer. A provisional commitment may be entered into in respect of current expenditure.

2. The procedure for implementing the provisions of paragraph 1 above shall ensure that an exact account is kept of commitments and authorizations in terms of the actual needs.

Article 28

Proposals for commitments shall be referred to the Financial Controller and then to the accounting officer; they shall show in particular the purpose of the expenditure, the estimated amount involved, if possible the currency of payment, the item to which it is to be charged and also the name and description of the creditor; they shall be registered after approval by the Financial Controller.

Article 29

The Financial Controller's approval of proposals for commitments of expenditure shall serve to certify that:

- (a) the expenditure has been correctly charged;
- (b) the appropriations are available;
- (c) the expenditure is in order and conforms to the relevant provisions, in particular, of the statement of revenue and expenditure and the Regulations applying to the Centre, and of all acts made in implementation of these Regulations;
- (d) the principles of sound financial management have been applied.

Article 30

Where the Financial Controller withholds his approval he shall furnish a written statement of his

reasons therefor. The authorizing officer shall be notified accordingly.

Where approval is withheld and the authorizing officer maintains his proposal, the matter shall be referred for a decision to the Management Board.

Except where the availability of the appropriations is in doubt, the Management Board may, by means of a decision stating the full reasons therefor, and on its sole responsibility, overrule such a refusal. This decision shall be implemented; it shall be communicated for information to the Financial Controller. The Management Board shall periodically inform the Court of Auditors of each of these decisions.

2. Clearance of expenditure

Article 31

The purpose of clearance of expenditure by the authorizing officer shall be:

- to verify the creditor's claim;
- to determine or verify the existence and the amount of the debt; and
- to verify the conditions under which payment falls due.

Article 32

1. Clearance of expenditure shall be subject to the submission of supporting documents attesting the creditor's claim and the service rendered or the existence of a document justifying payment.

2. Supporting documents pertaining to the accounts and the drawing up of the revenue and expenditure account and the balance sheet shall be kept for a period of five years following the date of the decision giving discharge in respect of the implementation of the budget, referred to in Article 14.

However, the documents relating to transactions not finally closed shall be kept for longer than the said period.

3. The authorizing officer empowered to clear expenditure shall personally check the supporting documents or shall, on his own responsibility, ascertain that this has been done.

3. Authorization of expenditure

Article 33

Authorization shall be the formal step whereby the authorizing officer, by the issue of a payment order, instructs the accounting officer to pay an item of expenditure which he has cleared.

Article 34

The payment order shall state:

- the financial year against which the payment shall be charged,
- the Article in the statement of revenue and expenditure and any other subdivision that may apply,
- the amount to be paid (in figures and words) and the currency of payment,
- the name and address of the payee,
- the purpose of the expenditure,
- and the method of payment, wherever possible.

The payment order shall be dated and signed by the authorizing officer.

Article 35

The payment order shall be accompanied by the original supporting documents, which shall bear or be accompanied by a statement certifying the correctness of the amounts to be paid, the receipt of the supplies and the performance of the service and, if appropriate, the entry of the goods in the inventory referred to in Article 52.

It shall show the numbers and dates of the relevant approvals of commitments. Copies of supporting documents, certified as true copies by the authorizing officer, may, in some cases, be accepted in place of the originals.

Article 36

For payments by instalment, the first payment order shall be accompanied by documents establishing the creditor's right to payment of the instalment in question. Subsequent payment orders shall refer to the supporting documents already furnished, and repeat the reference number of the first payment order.

The authorizing officer may grant advances to personnel if a provision laid down by regulation specifically provides therefor, or if a member of the staff has to make disbursements on behalf of the Centre which are chargeable to the statement of revenue and expenditure.

Apart from the imprests referred to in Article 43, no advance may be granted unless it has been approved beforehand by the Financial Controller.

Article 37

Payment orders shall be sent to the Financial Controller for prior approval.

Prior approval shall confirm that:

- (a) the payment order was properly issued,
- (b) the payment order agrees with the commitment of expenditure and that the amount thereof is correct,
- (c) the expenditure is charged to the correct item,
- (d) the appropriations are available,
- (e) the supporting documents are in order,
- (f) the payee is correctly described.

Article 38

Should approval be withheld, Article 30 shall apply.

Article 39

After approval the original of the payment order, together with all supporting documents, shall be forwarded to the accounting officer.

4. Payment of expenditure

Article 40

Payment shall be the final action whereby the Centre is discharged of its obligations towards its creditors.

Payment shall be made by the accounting officer within the limits of the funds available.

In the event of an error or of the validity of the discharge being contested or of failure to observe the formalities prescribed by this Regulation, the accounting officer must suspend payment.

Article 41

If payment is suspended, the accounting officer shall give the reasons therefor in a written statement which he shall send forthwith to the authorizing officer and, for information, to the Financial Controller.

Except where the validity of the discharge is contested, the authorizing officer may place the matter before the authority appointed by the Centre in the manner laid down in the rules of procedure of the Centre. The said authority may require in writing, and on its own responsibility, that payment be effected.

Article 42

Payments shall be effected as a general rule through a bank account or post office giro account.

The procedure for opening, administering and using such accounts shall, in particular, indicate expenditure the payment of which must be effected either by cheque or by post office or bank transfer order, and require the signature on cheques and on post office or bank transfer orders of two duly authorized officials, one signature necessarily being that of the accounting officer, an assistant accounting officer, or an imprest-holder.

5. Imprests

Article 43

For the payment of certain categories of expenditure, imprests may be advanced.

The implementation procedure referred to in Article 76 shall contain specific provisions concerning in particular:

- the appointment of imprest-holders;
- the nature and maximum amount of each item of expenditure to be paid;
- the maximum amount of the imprest which may be advanced;
- the time within which supporting documents must be produced;
- the responsibility of the imprest-holders.

TITLE IV

CONCLUSION OF CONTRACTS, INVENTORY, ACCOUNTANCY

SECTION I

CONTRACTS FOR THE SUPPLY OF GOODS AND SERVICES FOR BUILDING WORKS, AND HIRE CONTRACTS

Article 44

1. Contracts for the purchase or hiring of goods, for the provision of services or for building works shall be in writing. They shall be concluded following the award of contract or invitation to tender.

However, contracts may be entered into by direct agreement in the circumstances referred to in Article 46.

Purchases may be made by way of a bill of costs or invoice in the case provided for in Article 50.

2. Invitations to competitive tender shall, as a general rule, be published in all the Member States, and, where appropriate, in non-member countries, in so far as this is compatible with the development of the relevant industries in the Communities. However, the distribution of such invitations to tender may be restricted, where the scale or nature of the goods or services is such that they are not appropriate for a general invitation to competitive tender.

Article 45

1. The award of contracts shall be an administrative procedure prior to the letting of a

contract following an invitation to competitive tender. Its effect shall be to confer publicly on the tenderer whose tender is the lowest — out of all those which are entered in due and proper form, meet the conditions laid down, and are comparable with each other — the right to the final award of the contract, after approval by the authorizing officer. The award of contract shall be termed public or open, where it is open to all comers to submit a tender; it shall be termed restricted where tenders may be entered only by those whom it has been decided to consult because of their special qualifications.

2. A contract following an invitation to tender is a contract entered into by the contracting parties following an invitation to competitive tender. In this case, the offer considered the most attractive may be freely chosen, taking into account the cost of performance, operating costs involved, technical merit, the time for performance, together with the financial guarantees and the guarantees of professional competence put forward by each of the tenderers.

An invitation to tender shall be termed public or open where a general invitation to competitive tender is involved; it shall be termed restricted where it is addressed only to those whom it has been decided to consult because of their special qualifications.

3. The procedure for issuing an invitation to competitive tender, both as regards the award of contract and invitations to tender, shall be specified in the implementation procedure referred to in Article 76.

Article 46

Contracts may be made by direct agreement:

- (a) where the contract for the purchase or hiring of goods, for the provision of services or for building works involves an amount not exceeding 6.500 ECU, the Centre being bound, however, as far as possible and by all appropriate means, to enable suppliers who are likely to be able to supply the goods and services in question to compete;
- (b) where the purchase or hiring of goods, the provision of services or the building works are so urgently needed that it is not possible to wait for one of the tendering procedures specified in Article 45 to be carried out;
- (c) where the award of contract procedure or invitations to tender do not give any result or where the prices quoted are not acceptable;
- (d) where for technical, practical or legal reasons, the supply of goods and services can be carried out only by a particular contractor or supplier;
- (e) for contracts for the supply of additional goods and services or for additional building works which technically cannot be separated from the main contract.

Article 47

There shall be no discrimination between nationals of Member States on grounds of nationality in respect of contracts entered into by the Centre.

Article 48

Contracts involving amounts exceeding 18 000 ECUs shall be subject to the authorization of the Management Board.

Article 49

By way of guarantee of the performance of the contracts, it may be required of the suppliers or contractors by a clause included among the warranty clauses, that they make a preliminary deposit.

The amount of the deposit shall be fixed:

- according to the usual trade terms of supply contracts;
- according to the special conditions governing building contracts.

For building works involving an amount exceeding 200 000 ECUs, a deposit shall be obligatory. A security may be retained until final acceptance of delivery.

Where a contract has not been performed or completion has been late, the Centre shall ensure that it is adequately compensated in respect of all damages, interest and costs by the deduction of the amount from the deposit, whether this has been lodged directly by the supplier or contractor, or by a third party.

Article 50

Contracts may be made against invoice or bill of costs only where the expected value of the goods and services supplied or of the building works does not exceed 300 ECUs. This limit shall be increased to 750 ECUs for expenditure to be entered into outside the seat of the Centre;

Article 51

1. When concluding contracts referred to in this Regulation, the Centre shall comply with the measures laid down in respect of public works by the Council in implementation of the Treaty.
2. The ceilings specified in articles 46 to 50, and expressed in ECU shall be automatically adjusted with changes to corresponding ceilings specified in the financial regulation applicable to the general budget of the European Communities. 1)

SECTION II

INVENTORY OF MOVABLE AND IMMOVABLE PROPERTY

Article 52

A permanent quantitative inventory of all movable and immovable property belonging to the Centre shall be kept in accordance with a model drawn up by the Commission. Only movable property

1) OJ NO L356 of 21 December 1977

exceeding a specific value provided for in the measures of implementation taken under Article 76 shall be entered in the inventory.

The Centre shall instruct its departments to check that the entries in the inventory correspond to the facts.

Article 53

The sale of movable property shall be suitably advertised as laid down in the measures of implementation taken under Article 76.

Apart from through sales by public auction, staff of the Centre may not acquire any movable property sold by the Centre.

Article 54

A statement or record shall be drawn up by the authorizing officer and endorsed by the Financial Controller whenever any property in the inventory is disposed of, scrapped, hired out, or is missing on account of loss, theft or any other reason.

The statement or record shall indicate in particular any obligation that may devolve on a member of the staff of the Centre or any other person to replace the item in question.

If immovable property or large installations are made available free of charge, they must be covered by contracts approved by the Financial Controller, and shall be the subject of an annual communication to the Commission when the estimate of revenue and expenditure is presented.

Article 55

Every purchase of movable or immovable property as defined in Article 52 shall, before payment is made, be entered in the permanent inventory.

That entry shall be recorded in the corresponding invoice or annexed document prepared with a view to paying the expenditure in question.

SECTION III

ACCOUNTS

Article 56

The accounts shall be kept by the method of double entry, on the basis of the calendar year. They shall show all revenue and expenditure for the financial year; they shall be authenticated by supporting documents. They may be kept in the currency of the country where the Centre has its seat.

The revenue and expenditure account and the balance sheet shall be drawn up in ECUs.

Article 57

Entries relating to the accounts of the statement of revenue and expenditure and to commitments and established entitlements accounts shall be made on the basis of an accounting plan comprising a nomenclature of items which makes a clear distinction between the balance sheet accounts and the expenditure and revenue accounts in the statement of revenue and expenditure.

These entries shall be recorded in books or on cards. These shall make it possible to draw up a general monthly statement of accounts, and a statement by chapter and article, of revenue and expenditure, which shall be forwarded to the Financial Controller.

Article 58

All advances shall be entered in a suspense account and settled at the latest during the financial year which follows the payment of this advance.

Article 59

Details of the method for drawing up and operating the accounting plan shall be laid down by the implementation procedure referred to in Article 76.

Article 60

The accounts shall be closed at the end of the financial year to enable the balance sheet and the revenue and expenditure account referred to in Title VI to be drawn up. The revenue and expenditure account shall be submitted to the Financial Controller.

TITLE V

RESPONSIBILITIES OF AUTHORIZING OFFICERS, FINANCIAL CONTROLLERS, ACCOUNTING OFFICERS AND IMPREST-HOLDERS

Article 61

Authorizing officers who, when establishing entitlements to be recovered or issuing receivable orders, entering into commitments of expenditure or signing payment orders do so without complying with this Regulation and the rules for its implementation shall be liable to disciplinary action and, where appropriate, to pay compensation. The same shall apply if they omit to draw up a document establishing a debt due or if they neglect to issue receivable orders or are, without justification, late in issuing them.

Article 62

1. Accounting officers and assistant accounting officers shall be liable to disciplinary action and, where appropriate, to payment of compensation in respect of payments made by them in disregard of the third subparagraph of Article 40.

They shall be liable to disciplinary action and to payment of compensation in respect of any loss or deterioration of the monies, assets and documents in their charge where such loss or deterioration results from a deliberate error or serious negligence on their part.

Under the same conditions, they shall be responsible for the correct execution of orders received by them in respect of the use and the administration of bank accounts and post office giro accounts, and in particular:

- (a) where the payments or recoveries made by them do not agree with the amounts on the payment orders or receivable orders;
- (b) where they effect payment to a party other than the entitled payee.

2. Imprest-holders shall render themselves liable to disciplinary action and, where appropriate, to payment of compensation in the following cases:

- (a) where they cannot give satisfactory proof, with documents in due and proper form, of payments made by them;
- (b) where they effect payment to a party other than the entitled payee.

They shall be liable to disciplinary action and to payment of compensation in respect of any loss or deterioration of the monies, assets and documents in their charge as a result of a deliberate error or serious negligence on their part.

3. The accounting officers, assistant accounting officers and imprest-holders shall insure themselves against the risks arising under this article.

The Centre shall cover the insurance costs relating thereto.

A special allowance is granted to the accounting officer, assistant accounting officers and administrators of advance funds. The sums corresponding to this allowance shall be credited each month to an account opened by the Centre on behalf of each official in order to establish a guarantee fund for the purpose of covering any cash or bank shortage for which the person concerned might render himself liable, in so far as such shortages have not been covered by refunds from insurance companies;

The credit balance in these guarantee accounts shall be paid over to the persons concerned when they terminate their appointment as accounting officer, assistant accounting officer or administrator of advance funds.

Article 63

Authorizing officers, accounting officers, assistant accounting officers and imprest-holders shall be liable to disciplinary action and, where appropriate, to the payment of compensation in respect of actions relating to their duties.

Article 64

The Centre shall be allowed a period of two years from the date when the revenue and expenditure account is submitted to take a decision on the final discharge to be given to accounting officers for the transactions relating thereto.

TITLE VI

PRESENTING AND AUDITING THE ACCOUNTS

SECTION I

PRESENTING THE ACCOUNTS

Article 65

The Management Board shall draw up each year a revenue and expenditure account for the Centre.

This account shall be preceded by an analysis of the financial management in respect of the year in question. It shall cover all revenue and expenditure transactions relating to the preceding financial year. It shall be submitted in the same form and following the same subdivisions as the statement of revenue and expenditure.

Article 66

The revenue and expenditure account shall include the following tables classified in accordance with the nomenclature of the statement of revenue and expenditure of the Centre.

1. A table of revenue including:
 - estimated revenue for the financial year;
 - amendments to the revenue estimates as a result of supplementary or amending statements;
 - revenue collected during the financial year;
 - entitlements still to be collected from the preceding financial year;
 - entitlements established in the course of the financial year;
 - amounts still to be collected at the end of the financial year.

A statement shall be annexed, where appropriate, to this table, showing the balances and gross amounts of the transactions referred to in Article 22.

2. A table showing the trend in appropriations in respect of the financial year.
 - the initial appropriations;
 - any amendments to appropriations introduced by means of transfers;
 - any amendments introduced by means of supplementary or amending statements;
 - the final appropriations for the financial year.

3. A table of expenditure showing the use of appropriations in respect of the financial year, indicating:

- the total appropriations;
- the commitments entered into and chargeable to the financial year;
- the payments made at the end of the period of implementation of the statement of revenue and expenditure;
- the amounts still to be paid at the close of the financial year;
- the appropriations carried forward automatically under Article 6 (1) (c);
- the available appropriations carried forward under Article 6 (1) (b);
- the available appropriations to be cancelled.

A statement shall be annexed to this table, where appropriate, showing the balances and gross amounts of the transactions referred to in Article 22.

4. A table showing the use of appropriations carried forward from preceding financial years, indicating:

- the amount of appropriations carried forward;
- the payments shown in the accounts at the end of the period of implementation of the statement of revenue and expenditure;
- the unused appropriations to be cancelled;

Article 67

The Management Board shall also draw up a balance sheet of the assets and liabilities of the Centre as at 31 December of the preceding financial year. A statement of accounts, showing cash movements and balances, drawn up as at the same date, shall be attached thereto.

Article 68

The Management Board shall, by 31 March at the latest, send the revenue and expenditure account and the balance sheet of the Centre for the preceding financial year to the Commission, the Council, the European Parliament and the Court of Auditors.

SECTION II

CHECKING THE ACCOUNTS

Article 69

The Court of Auditors shall exercise its powers in respect of the Centre in accordance with the Financial Regulation applicable to the general budget of the European Communities.

Article 70

The Centre shall forward to the Court of Auditors, on a quarterly basis and at the latest within the month which follows the end of the quarter, the documents supporting the accounts, in particular the documents and certificates in respect of the correct application of the provisions which govern the implementation of the statement of revenue and expenditure and relating to the commitment and payment of expenditure and the establishment and collection of revenue.

The Court of Auditors may question the Centre on the subject of the said supporting documents.

Article 71

The Centre shall afford the Court of Auditors all the facilities and give it all the information which the Court of Auditors may consider necessary for the performance of its task.

In particular, the Centre shall place at the disposal of the Court of Auditors all documents concerning the conclusion of contracts and all accounts of cash or materials, all accounting records or supporting documents, and also administrative documents pertaining thereto, all documents relating to revenue and expenditure, all inventories, all lists of posts in the departments, which the Court of Auditors may consider necessary for auditing the revenue and expenditure account on the basis of records or on the spot.

To this end, the officials whose operations are inspected by the Court of Auditors shall in particular:

- (a) make available their cash in hand, and present any other cash, securities and all types of assets, and the supporting documents in respect of their stewardship, with which they are entrusted, and also any books, registers and other documents relating thereto;
- (b) present the correspondence and any other document required for the full implementation of the audit.

The information supplied under (b) may be requested only by the Court of Auditors.

The Court of Auditors shall be empowered to audit the documents in respect of the revenue and expenditure which are held in the department of the Centre and, in particular, in the department responsible for decisions in respect of such revenue and expenditure.

The task of establishing that the revenue has been received and the expenditure incurred in a lawful and proper manner, and that the financial management has been sound, shall extend to the utilization, by bodies outside the Centre, of Community funds received by way of aid.

The granting of aid to bodies outside the Centre shall be subject to the acceptance by the recipients of the audit being carried out by the Court of Auditors on the utilization of the amounts granted as aid.

Article 72

Any comments which the Court of Auditors considers should appear in its report shall be communicated to the Commission and to the Centre.

The Centre shall send its reply to the Court of Auditors and, at the same time, to the Commission. The Court of Auditors shall attach to its report an assessment of the soundness of the financial management.

Article 73

The Court of Auditors shall conclude its report on the accounts for the preceding financial year not later than 15 July, and shall send it to the Centre and to the Commission. The Court of Auditors shall, not later than that date, make known its observations on the balance sheet.

The Centre shall submit the revenue and expenditure account, the balance sheet and the report of the Court of Auditors, together with the replies to the comments, to the European Parliament and the Council by 31 October at the latest. The report of the Court of Auditors, and the Centre's replies to the observation, shall be published by the Court of Auditors in the "Official Journal".

Article 74

The European Parliament, upon a recommendation from the Council which shall act by a qualified majority shall, before 30 April of the next year, give a discharge to the Management Board of the Centre in respect of the implementation of the statement of revenue and expenditure. If that date cannot be met, the Council or the European Parliament shall inform the Management Board of the reasons for postponing the decision.

The Management Board shall take all appropriate steps to comply with the comments appearing in the decisions giving discharge. At the request of the European Parliament, the Council or the Commission, the Management Board shall report on the measures taken in the light of these comments. This report shall also be forwarded to the Court of Auditors.

Subject to the provisions of the second sentence of the second subparagraph, the Centre must give an account, in an Annex to the revenue and expenditure account for the next financial year, of the measures taken in the light of the comments appearing in the decision giving discharge.

TITLE VII
FINAL PROVISIONS

Article 75

The Management Board shall inform the Court of Auditors, as soon as possible, of all decisions and measures taken in implementation of Articles 3, 6 (6), 14 and 21.

Article 76

On a proposal by the Director and with the assent of the Financial Controller the Management Board shall establish the procedures required for implementing this Regulation.

Article 77

The Court of Auditors and the Financial Controller shall be informed of the appointment of the accounting officer, assistant accounting officers and imprest-holders made in accordance with Articles 20 and 43.

This Regulation shall enter into force on the fifth day following its publication in the *Official Journal of the European Communities*.

Done at Brussels, 1 June 1976.

For the Council

The President

G. THORN

ANNEX IV

AMENDED

COUNCIL REGULATION (EEC) N° 1417/76 of 1 June 1976 on the financial provisions applying to the European Foundation for the Improvement of Living and Working Conditions.

COUNCIL REGULATION (EEC) No 1417/76

of 1 June 1976

**on the financial provisions applying to the European Foundation for the Improvement
of Living and Working Conditions**

TITLE I

GENERAL PRINCIPLES

Article 1

1. Each year a statement of revenue and expenditure shall forecast and authorize the estimated revenue and expenditure of the Foundation.

2. Expenditure may be authorized for a period going beyond the financial year only in accordance with the detailed rules provided for in the statement of revenue and expenditure.

Administrative expenditure arising from contracts which have been concluded in accordance with local usage for periods going beyond the financial year is not subject to the provisions of the preceding subparagraph. Such expenditure shall be charged to the statement of revenue and expenditure for the financial year in which it is incurred.

Article 2

The appropriations entered in the statement of revenue and expenditure shall be used in accordance with the principles of economy and sound financial management.

Article 3

1. All revenue and expenditure shall be entered in full in the statement of revenue and expenditure and in the accounts.

All revenue shall cover all expenditure.

2. Notwithstanding the provisions of the second subparagraph of paragraph 1, any revenue intended

for a specific purpose, such as income from foundations, subsidies, gifts and bequests, shall not be used for any other purpose.

After informing the Commission the Administrative Board may accept any donation made to the Foundation, and in particular foundations, subsidies, gifts and bequests.

The Administrative Board shall accept donations which may involve any kind of financial charge only subject to authorization from the Commission which shall vote on the matter within two months from the date of receipt of the request from the Administrative Board. If no objection has been made within this period, the Administrative Board shall take a final decision on acceptance.

Article 4

No revenue shall be collected and no expenditure effected unless credited to or charged against an Article in the statement of revenue and expenditure.

Save as otherwise provided in this Regulation, expenditure may not be committed in excess of the appropriations authorized for the financial year or of the authorizations granted in respect of subsequent financial years.

No expenditure shall be authorized in excess of the allotted appropriations. The total amount of the proceeds shall be entered in the accounts without any adjustment of revenue against expenditure, save as otherwise provided in Article 22.

Article 5

The financial year shall correspond to the calendar year.

The revenue of a financial year shall be entered in the accounts for the financial year in which it is collected.

The allotted appropriations may be used solely to cover expenditure properly entered into and paid under the financial year for which they were granted, save as otherwise provided in Article 6, and to cover the debts relating to preceding financial years for which no appropriation was carried forward.

The expenditure of a financial year shall be entered in the accounts for that year on the basis of expenditure the authorization for which reached the Financial Controller not later than 31 December, and for which the corresponding payments were effected not later than the following 15 January.

Article 6

- 1. (a) The appropriations relating to staff may not be carried forward.
- (b) The appropriations not committed as at 31 December may be carried forward to the next financial year only.
- (c) The appropriations in respect of payments still outstanding as at 31 December for commitments properly entered into between 1 January and 31 December shall be carried forward automatically to the next financial year only.

2. For the appropriations mentioned in paragraph 1 (b) the Commission shall submit to the Council and shall forward to the European Parliament, before 21 April, the duly documented requests to carry forward appropriations which the Foundation has sent to it before 1 March.

Upon reception of the request to carry forward appropriations the Council shall consult the Parliament, which shall give its opinion as soon as possible, that is, within a period which shall not normally exceed four weeks from the date of receipt of the Council's request for that opinion.

Unless the Council, acting by a qualified majority, decides otherwise within six weeks from the date of reception of the request to carry forward appropriations, the carry-over of the appropriations shall be deemed to have been approved.

3. Unexpended revenue and appropriations still available on 31 December, arising out of the donations referred to in Article 3 (2) shall be carried forward automatically.

4. The appropriations referred to in paragraph 1 (b) which have not been committed on 31 December and for which authority to carry forward to the next financial year has been given shall lapse if they have not been committed or paid out by the end of the said financial year.

5. The Commission shall be provided, for its information, before 1 March, with a list of the appropriations to be carried forward automatically. The Commission shall forward this list to the European Parliament and the Council for their information.

6. When implementing the statement of revenue and expenditure, details of the utilization of appropriations carried forward shall be entered separately article by article in the accounts for the current financial year.

Article 7

Current administrative expenditure chargeable to the next financial year and which, by its nature, arises at the beginning of that financial year may, as from 15 November of each year, be charged as an expected commitment against the appropriations provided for

in respect of the next financial year up to a maximum of one quarter of the total corresponding appropriations for the current year. However, such commitments shall not apply to new expenditure of a kind not yet approved in principle in the statement of revenue and expenditure of the then current financial year.

Article 8

If the statement of revenue and expenditure is not finally adopted at the beginning of the financial year, Article 204 of the Treaty establishing the European Economic Community shall apply to commitments and payments of expenditure of a kind already approved in principle in the last statement duly adopted.

Payments may be made monthly in respect of any chapter up to one-twelfth of the total appropriations entered in the chapter in question for the preceding financial year; this may not, however, have the effect of placing at the disposal of the Foundation monthly appropriations in excess of one-twelfth of the amount of the subsidy reserved for the Foundation in the draft budget or, in the absence thereof, in the preliminary draft budget of the Communities. Commitments may be entered into in respect of the relevant chapter up to one-quarter of the total

appropriations entered in the chapter in question for the preceding financial year increased by one-twelfth for each completed month; the amount of the subsidy reserved for the Foundation in the draft budget or, in the absence thereof, in the preliminary draft budget of the Communities may not, however, be exceeded.

At the request of the Administrative Board and without prejudice to the provisions of the second paragraph, the Commission may, in the light of administrative requirements, authorize two or more provisional twelfths simultaneously.

Article 9

The statement of revenue and expenditure of the Foundation and the list of posts shall be published for information purposes in the *Official Journal of the European Communities*, at the same time as the budget of the Communities.

Article 10

The statement of revenue and expenditure shall be drawn up in ECUs. The value of the ECU shall be that laid down in the Financial Regulation applicable to the general budget of the European Communities.

TITLE II

PRESENTATION AND STRUCTURE OF THE STATEMENT OF REVENUE AND EXPENDITURE

Article 11

1. The Administrative Board of the Foundation shall send the Commission by 31 March at the latest an estimate of the Foundation's revenue and expenditure for the following year. This estimate shall include a list of posts.

2. In the event of unavoidable, exceptional, or unforeseen expenditure, the Administrative Board of the Foundation may send supplementary or amending estimates to the Commission. Such estimates shall be presented and adopted in the same form and following the same procedure as the statement whose forecasts they amend. They must be justified by reference to the statement.

Supplementary estimates must be submitted to the Commission as a general rule not later than the date laid down for submitting the estimate for the following financial year.

3. Where necessary, the Commission may make proposals to the budgetary authority concerning

appropriate steps to be taken to amend the subsidy entered in the budget of the Communities under Article 13. In their deliberations the competent authorities shall take into account the urgency of the matter.

Article 12

1. In support of the estimate there shall be submitted:

- a list of posts including, for each category of staff, a detailed list of authorized posts and actual numbers of persons holding posts on the date of submission of the estimate of revenue and expenditure;
- where a change in the numbers of persons holding posts is proposed, a statement giving the reason for requesting new posts;
- a quarterly estimate of cash payments and receipts.

2. As a preface to the estimate the Administrative Board shall submit a general introductory note containing in particular:

- an outline of the policy justifying the request for the appropriations;
- an explanation of the changes in appropriations from one financial year to the next.

Furthermore, the Commission shall attach to the estimate an opinion which may contain different estimates duly supported.

3. The Commission may — if appropriate at the request of the Administrative Board — present, by means of a letter of amendment, proposals for changes to the estimate of revenue and expenditure necessitated by the receipt of new information which was not previously available;
However, save in very exceptional circumstances the Commission must put such a letter of amendment to the Council at least 30 days before the first reading of the draft General Budget by the European Parliament, and the Council must put the letter to the European Parliament at least 15 days before the said first reading.

Article 13

The subsidy for the Foundation shall be made available to it in accordance with the rules laid down in this Regulation.

Article 14

The Administrative Board shall adopt the statement of revenue and expenditure before the beginning of the financial year, adjusting it to the subsidy granted by the budget authority.

The statement thus adopted shall be forwarded to the Commission forthwith.

Article 15

The statement of revenue and expenditure shall be subdivided into titles, chapters, articles and items according to the nature of the revenue or expenditure or the intended purpose thereof. It shall show:

- (a) the appropriations made available for the financial year in question divided into titles, chapters, articles and items, following a decimal classification system;
- (b) the appropriations made available for the preceding financial year and the actual expenditure for the last financial year for which the accounts have been closed, increased by the amounts carried forward, using the same classification;
- (c) appropriate comments on each subdivision;
- (d) in an annex a list of posts fixing the number of posts for each grade in each category and in each service.

Article 16

The list of posts drawn up by the budget authority shall constitute a binding limit for the Foundation; no appointment may be made in excess of that limit.

TITLE III

IMPLEMENTATION OF THE STATEMENT OF REVENUE AND EXPENDITURE

SECTION I

GENERAL PROVISIONS

Article 17

The statement of revenue and expenditure shall be implemented in accordance with the principle that the authorizing officers and accounting officers are different individuals.

The appropriations shall be administered by the authorizing officer who alone is empowered to enter into commitments regarding expenditure, establish the sums due to be collected and issue receivable orders and payment orders. The operations of collection or payment shall be carried out by the accounting officer. The duties of an authorizing

officer shall be incompatible with those of a financial controller or accounting officer.

Article 18

The Administrative Board of the Foundation shall implement the statement of revenue and expenditure on its own responsibility in accordance with this Regulation and within the limits of the appropriations allotted.

The Administrative Board shall delegate its powers under conditions to be laid down by it and within the limits set in the instrument of delegation which shall be communicated to the delegatee, the accounting officer, the Financial Controller and the Court of Auditors.

Article 19

The Financial Controller of the Commission shall be responsible for checking the commitment and payment of all expenditure and the establishment and recovery of all revenue of the Foundation.

The check shall be carried out by that official by means of inspection of the files relating to expenditure and revenue and, if necessary, on the spot.

The Financial Controller may be assisted in his duties by one or more assistant financial controllers.

The special rules applicable to such officials, which shall be laid down in the measures of implementation provided for under Article 76, shall be so formulated as to guarantee that such officials are independent in the discharge of their duties.

Article 20

The collection of revenue and the payment of expenditure shall be carried out by an accounting officer nominated by the Administrative Board.

Subject to the second subparagraph of Article 42, and to Article 43, the accounting officer, alone is empowered to manage funds and assets. He shall be responsible for their safe-keeping.

He may be assisted in his duties by one or more assistant accounting officers, nominated under the same conditions as the accounting officer.

Article 21

1. The appropriations shall be classified by chapter and article.

2. The appropriations entered under a chapter of expenditure may not be used for the purposes of any other chapter of expenditure.

3. However, the Management Board may propose to the Commission that appropriations be transferred from one chapter to another.

The Commission shall act within one month. If it has not so acted, the transfers shall be deemed to be approved.

The Administrative Board or, by delegation, the Director of the Foundation may authorize transfer between articles on behalf of the Foundation.

The Commission shall be informed of such transfers.

4. Every proposal for a transfer within a chapter or between chapters shall be subject to the approval of the Financial Controller who shall attest that the appropriations are available.

5. This Article shall apply to the appropriations for revenue allocated for a specific purpose within the meaning of Article 3 (2) only as long as that revenue is not used for any other purpose.

Article 22

Notwithstanding Article 4:

(a) the following deductions may be made from all bills, invoices or statements, which shall then be passed for payment of the net amount:

— fines imposed on a party to a contract or an accepted tender;

— adjustments of amounts paid in error which can be achieved by means of deduction beforehand against a payment of the same kind of expenditure out of appropriations under the chapter, article and financial year in respect of which the excess payment was made;

— the value of vehicles, apparatus, equipment and installations taken in part exchange in accordance with commercial usage upon purchase of new apparatus, vehicles, equipment and installations of the same kind.

Discounts, refunds and rebates on invoices and bills shall not be recorded as separate revenue;

(b) the following sums may be reused:

— revenue arising from the refund of amounts paid in error against appropriations entered in the statement of revenue and expenditure;

— the proceeds from the supply of goods and services to other institutions or bodies, including the reimbursement of mission allowances paid for the account of those institutions or bodies, and reimbursed by them;

— the amount of insurance indemnities received;

- the revenue from the sale of publications and films;
- the amount of the refund of fiscal charges incorporated in the price of the products or services provided to the Foundation effected by Member States pursuant to the provisions of the Protocol on the privileges and immunities of the European Communities;
- the revenue from the supply of goods and services and from building works against payment;
- the proceeds from the sale of vehicles, equipment and installations and also apparatus and equipment for technical and scientific purposes, when they are replaced.

The reuse of such sums must take place before the end of the financial year which follows the one in which the revenue was collected;
The accounting plan shall include suspense accounts in order to record the re-use of sums in respect of revenue and expenditure.

(c) adjustments may be made in respect of the losses and gains made on the rates of exchange when transferring funds and also on debtor and creditor interest rates relating to cash operations, only the balance being shown as revenue or expenditure.

The accounting plan shall provide for suspense accounts in order to record the reuse of such sums in terms of both revenue and expenditure.

SECTION II

REVENUE AND MANAGEMENT OF AVAILABLE FUNDS

Article 23

1. Every measure which is such as to give rise to a debt due to the Foundation must be preceded by a proposal from the authorizing officer. Such proposals shall be forwarded to the Financial Controller. They shall mention, in particular, the type of revenue, the estimated amount thereof and the item to which it is to be credited and also the name and description of the debtor. They shall be registered after approval by the Financial Controller. The latter's approval shall serve to certify that:

- (a) the revenue is correctly credited;
- (b) the proposal is in order and conforms to the relevant provisions, in particular, of the statement of revenue and expenditure applying to the Foundation and of all acts made in implementation of those Regulations, and to the principles of sound financial management.

The Financial Controller may withhold his approval.

The authorizing officer may, by a decision stating the full reasons therefor, and on his sole responsibility, overrule this refusal. The decision of the authorizing officer shall be implemented; it shall be communicated for information to the Financial Controller. The Administrative Board of the Foundation shall periodically inform the Court of Auditors of each one of these decisions.

2. The competent authorizing officer shall draw up, in respect of every debt established, a recovery order which shall be sent with supporting documents to the financial controller for his prior approval. Such recovery orders shall, after they have received the approval of the financial controller, be registered by the accounting officer.

The purpose of the approval shall be to establish that :

- (a) the revenue is booked to the correct budget item ;
- (b) the order is in order and conforms to the relevant provisions;
- (c) the supporting documents are in order;
- (d) the debtor is correctly described;
- (e) the due date is indicated;
- (f) the order conforms to sound financial management;
- (g) the amount and currency of the sum to be recovered are correct.

If approval is withheld, the second subparagraph of paragraph 1 shall apply.

Article 24

1. The accounting officer shall assume responsibility for the recovery orders duly drawn up.

He shall exercise all due diligence to ensure that the resources due to the Communities are recovered at the due dates indicated in the recovery orders, and shall ensure that the rights of the Communities are safeguarded.

The accounting officer shall inform the authorizing officer and the financial controller of any revenue not recovered within the time limits laid down.

2. If the Administrative Board waives the right to recover an established debt, it shall inform the financial controller

The purpose of the approval to the financial controller shall be to establish that the waiver is in order and conforms with the principles of sound financial management. The proposal concerned shall be registered by the accounting officer.

If approval is withheld, the Administrative Board may, by a decision stating the full reasons therefor, and on its sole responsibility, overrule this refusal. This decision shall be final and binding; it shall be communicated for information to the financial controller. The Administrative board shall periodically inform the Court of Auditors of all such decisions.

When the financial controller finds that a document establishing a debt has not been drawn up, or that a sum due has not been recovered, he shall inform the Administrative Board thereof.

Article 25

A receipt shall be issued in respect of all cash payments made to the accounting officer.

Article 26

The subsidy entered in the budget of the Communities shall be paid to the Centre in quarterly instalments, by the 15th day each quarter, on the basis of the estimate referred to in the third indent of Article 12 (1) and in accordance with actual

SECTION III

Article 30

COMMITMENT, CLEARANCE, AUTHORIZATION
AND PAYMENT OF EXPENDITURE

1. Commitment of expenditure

Article 27

1. All measures which may give rise to expenditure chargeable to the statement of revenue and expenditure must be preceded by a proposal for commitment of expenditure from the authorizing officer. A provisional commitment may be entered into in respect of current expenditure.

2. The procedure for implementing the provisions of paragraph 1 above shall ensure that an exact account is kept of commitments and authorizations in terms of the actual needs.

Article 28

Proposals for commitments shall be referred to the Financial Controller and then to the accounting officer; they shall show in particular the purpose of the expenditure, the estimated amount involved, if possible the currency of payment, the item to which it is to be charged and also the name and description of the creditor; they shall be registered after approval by the Financial Controller.

Article 29

The Financial Controller's approval of proposals for commitments of expenditure shall serve to certify that:

- (a) the expenditure has been correctly charged;
- (b) the appropriations are available;
- (c) the expenditure is in order and conforms to the relevant provisions, in particular, of the statement of revenue and expenditure and the Regulations applying to the Foundation, and of all acts made in implementation of these Regulations;
- (d) the principles of sound financial management have been applied.

Where the Financial Controller withholds his approval he shall furnish a written statement of his reasons therefor. The authorizing officer shall be notified accordingly.

Where approval is withheld and the authorizing officer maintains his proposal, the matter shall be referred for a decision to the Administrative Board.

Except where the availability of the appropriations is in doubt, the Administrative Board may, by means of a decision stating the full reasons therefor, and on its sole responsibility, overrule such a refusal. This decision shall be implemented; it shall be communicated for information to the Financial Controller. The Administrative Board shall periodically inform the Court of Auditors of each of these decisions.

2. Clearance of expenditure

Article 31

The purpose of clearance of expenditure by the authorizing officer shall be:

- to verify the creditor's claim;
- to determine or verify the existence and the amount of the debt; and
- to verify the conditions under which payment falls due.

Article 32

1. Clearance of expenditure shall be subject to the submission of supporting documents attesting the creditor's claim and the service rendered or the existence of a document justifying payment.

2. Supporting documents pertaining to the accounts and the drawing up of the revenue and expenditure account and the balance sheet shall be kept for a period of five years following the date of the decision giving discharge in respect of the implementation of the budget, referred to in Article 74.

However, the documents relating to transactions not finally closed shall be kept for longer than the said period.

3. The authorizing officer empowered to clear expenditure shall personally check the supporting documents or shall, on his own responsibility, ascertain that this has been done.

3. Authorization of expenditure

Article 33

Authorization shall be the formal step whereby the authorizing officer, by the issue of a payment order, instructs the accounting officer to pay an item of expenditure which he has cleared.

Article 34

The payment order shall state:

- the financial year against which the payment shall be charged,
- the Article in the statement of revenue and expenditure and any other subdivision that may apply,
- the amount to be paid (in figures and words) and the currency of payment,
- the name and address of the payee,
- the purpose of the expenditure,
- and the method of payment, wherever possible.

The payment order shall be dated and signed by the authorizing officer.

Article 35

The payment order shall be accompanied by the original supporting documents, which shall bear or be accompanied by a statement certifying the correctness of the amounts to be paid, the receipt of the supplies and the performance of the service and, if appropriate, the entry of the goods in the inventory referred to in Article 52.

It shall show the numbers and dates of the relevant approvals of commitments. Copies of supporting documents, certified as true copies by the authorizing officer, may, in some cases, be accepted in place of the originals.

Article 36

For payments by instalment, the first payment order shall be accompanied by documents establishing the creditor's right to payment of the instalment in question. Subsequent payment orders shall refer to the supporting documents already furnished, and repeat the reference number of the first payment order.

The authorizing officer may grant advances to personnel if a provision laid down by regulation specifically provides therefor, or if a member of the staff has to make disbursements on behalf of the Centre which are chargeable to the statement of revenue and expenditure.

Apart from the imprests referred to in Article 43, no advance may be granted unless it has been approved beforehand by the Financial Controller.

Article 37

Payment orders shall be sent to the Financial Controller for prior approval.

Prior approval shall confirm that:

- (a) the payment order was properly issued,
- (b) the payment order agrees with the commitment of expenditure and that the amount thereof is correct,
- (c) the expenditure is charged to the correct item,
- (d) the appropriations are available,
- (e) the supporting documents are in order,
- (f) the payee is correctly described.

Article 38

Should approval be withheld, Article 30 shall apply.

Article 39

After approval the original of the payment order, together with all supporting documents, shall be forwarded to the accounting officer.

4. Payment of expenditure

Article 40

Payment shall be the final action whereby the Foundation is discharged of its obligations towards its creditors.

Payment shall be made by the accounting officer within the limits of the funds available.

In the event of an error or of the validity of the discharge being contested or of failure to observe the formalities prescribed by this Regulation, the accounting officer must suspend payment.

Article 41

If payment is suspended, the accounting officer shall give the reasons therefor in a written statement which he shall send forthwith to the authorizing officer and, for information, to the Financial Controller.

Except where the validity of the discharge is contested, the authorizing officer may place the matter before the authority appointed by the Foundation in the manner laid down in the rules of procedure of the Foundation. The said authority may require in writing, and on its own responsibility, that payment be effected.

Article 42

Payments shall be effected as a general rule through a bank account or post office giro account.

The procedure for opening, administering and using such accounts shall, in particular, indicate

expenditure the payment of which must be effected either by cheque or by post office or bank transfer order, and require the signature on cheques and on post office or bank transfer orders of two duly authorized officials, one signature necessarily being that of the accounting officer, an assistant accounting officer, or an imprest-holder.

5. Imprests

Article 43

For the payment of certain categories of expenditure, imprests may be advanced.

The implementation procedure referred to in Article 76 shall contain specific provisions concerning in particular:

- the appointment of imprest-holders;
- the nature and maximum amount of each item of expenditure to be paid;
- the maximum amount of the imprest which may be advanced;
- the time within which supporting documents must be produced;
- the responsibility of the imprest-holders.

TITLE IV

CONCLUSION OF CONTRACTS, INVENTORY, ACCOUNTANCY

SECTION I

CONTRACTS FOR THE SUPPLY OF GOODS AND SERVICES, FOR BUILDING WORKS, AND HIRE CONTRACTS

Article 44

1. Contracts for the purchase or hiring of goods, for the provision of services or for building works shall be in writing. They shall be concluded following the award of contract or invitation to tender.

However, contracts may be entered into by direct agreement in the circumstances referred to in Article 46.

Purchases may be made by way of a bill of costs or invoice in the case provided for in Article 50.

2. Invitations to competitive tender shall, as a general rule, be published in all the Member States, and, where appropriate, in non-member countries, in

so far as this is compatible with the development of the relevant industries in the Communities. However, the distribution of such invitations to tender may be restricted, where the scale or nature of the goods or services is such that they are not appropriate for a general invitation to competitive tender.

Article 45

1. The award of contracts shall be an administrative procedure prior to the letting of a contract following an invitation to competitive tender. Its effect shall be to confer publicly on the tenderer whose tender is the lowest — out of all those which are entered in due and proper form, meet the conditions laid down, and are comparable with each other — the right to the final award of the contract, after approval by the authorizing officer. The award of contract shall be termed public or open, where it is open to all comers to submit a tender; it shall be termed restricted where tenders may be entered only by those whom it has been decided to consult because of their special qualifications.

2. A contract following an invitation to tender is a contract entered into by the contracting parties following an invitation to competitive tender. In this case, the offer considered the most attractive may be freely chosen, taking into account the cost of performance, operating costs involved, technical merit, the time for performance, together with the financial guarantees and the guarantees of professional competence put forward by each of the tenderers.

An invitation to tender shall be termed public or open where a general invitation to competitive tender is involved; it shall be termed restricted where it is addressed only to those whom it has been decided to consult because of their special qualifications.

3. The procedure for issuing an invitation to competitive tender, both as regards the award of contract and invitations to tender, shall be specified in the implementation procedure referred to in Article 76.

Article 46

Contracts may be made by direct agreement:

- (a) where the contract for the purchase or hiring of goods, for the provision of services or for building works involves an amount not exceeding 6 500 ECU's, the Foundation being bound, however, as far as possible and by all appropriate means, to enable suppliers who are likely to be able to supply the goods and services in question to compete;
- (b) where the purchase or hiring of goods, the provision of services or the building works are so urgently needed that it is not possible to wait for one of the tendering procedures specified in Article 45 to be carried out;
- (c) where the award of contract procedure or invitations to tender do not give any result or where the prices quoted are not acceptable;
- (d) where for technical, practical or legal reasons, the supply of goods and services can be carried out only by a particular contractor or supplier;
- (e) for contracts for the supply of additional goods and services or for additional building works which technically cannot be separated from the main contract.

Article 47

There shall be no discrimination between nationals of Member States on grounds of nationality in respect of contracts entered into by the Foundation.

Article 48

Contracts involving amounts exceeding 18000 ECU's shall be subject to the authorization of the Administrative Board.

Article 49

By way of guarantee of the performance of the contracts, it may be required of the suppliers or contractors by a clause included among the warranty clauses, that they make a preliminary deposit.

The amount of the deposit shall be fixed:

- according to the usual trade terms of supply contracts;
- according to the special conditions governing building contracts.

For building works involving an amount exceeding 200 000 ECU's a deposit shall be obligatory. A security may be retained until final acceptance of delivery.

Where a contract has not been performed or completion has been late, the Foundation shall ensure that it is adequately compensated in respect of all damages, interest and costs by the deduction of the amount from the deposit, whether this has been lodged directly by the supplier or contractor, or by a third party.

Article 50

Contracts may be made against invoice or bill of costs only where the expected value of the goods and services supplied or of the building works does not exceed 300 ECU's. ~~This limit shall be increased to 750 ECU's~~ for expenditure to be entered into outside the seat of the Foundation.

Article 51

1. When concluding contracts referred to in this Regulation, the Foundation shall comply with the measures laid down in respect of public works by the Council in implementation of the Treaty.
2. The ceilings specified in articles 46 to 50, and expressed in ECU's shall be automatically adjusted with changes to corresponding ceilings specified in the financial regulation applicable to the general budget of the European Communities. 1)

SECTION II

Article 55

INVENTORY OF MOVABLE AND IMMOVABLE PROPERTY

Every purchase of movable or immovable property as defined in Article 52 shall, before payment is made, be entered in the permanent inventory.

That entry shall be recorded in the corresponding invoice or annexed document prepared with a view to paying the expenditure in question.

Article 52

A permanent quantitative inventory of all movable and immovable property belonging to the Foundation shall be kept in accordance with a model drawn up by the Commission. Only movable property exceeding a specific value provided for in the measures of implementation taken under Article 76 shall be entered in the inventory.

The Foundation shall instruct its departments to check that the entries in the inventory correspond to the facts.

Article 53

The sale of movable property shall be suitably advertised as laid down in the measures of implementation taken under Article 76.

Apart from through sales by public auction, staff of the Foundation may not acquire any movable property sold by the Foundation.

Article 54

A statement or record shall be drawn up by the authorizing officer and endorsed by the Financial Controller whenever any property in the inventory is disposed of, scrapped, hired out, or is missing on account of loss, theft or any other reason.

The statement or record shall indicate in particular any obligation that may devolve on a member of the staff of the Foundation or any other person to replace the item in question.

If immovable property or large installations are made available free of charge, they must be covered by contracts approved by the Financial Controller, and shall be the subject of an annual communication to the Commission when the estimate of revenue and expenditure is presented.

SECTION III

ACCOUNTS

Article 56

The accounts shall be kept by the method of double entry, on the basis of the calendar year. They shall show all revenue and expenditure for the financial year; they shall be authenticated by supporting documents. They may be kept in the currency of the country where the Foundation has its seat.

The revenue and expenditure account and the balance sheet shall be drawn up in ECUs.

Article 57

Entries relating to the accounts of the statement of revenue and expenditure and to commitments and established entitlements accounts shall be made on the basis of an accounting plan comprising a nomenclature of items which makes a clear distinction between the balance sheet accounts and the expenditure and revenue accounts in the statement of revenue and expenditure.

These entries shall be recorded in books or on cards. These shall make it possible to draw up a general monthly statement of accounts, and a statement by chapter and article, of revenue and expenditure, which shall be forwarded to the Financial Controller.

Article 58

All advances shall be entered in a suspense account and settled at the latest during the financial year which follows the payment of this advance.

Article 59

Details of the method for drawing up and operating the accounting plan shall be laid down by the implementation procedure referred to in Article 76.

Article 60

The accounts shall be closed at the end of the financial year to enable the balance sheet and the revenue and expenditure account referred to in Title VI to be drawn up. The revenue and expenditure account shall be submitted to the Financial Controller.

TITLE V

RESPONSIBILITIES OF AUTHORIZING OFFICERS, FINANCIAL CONTROLLERS, ACCOUNTING OFFICERS AND IMPREST-HOLDERS

Article 61

Authorizing officers who, when establishing entitlements to be recovered or issuing receivable orders, entering into commitments of expenditure or signing payment orders do so without complying with this Regulation and the rules for its implementation shall be liable to disciplinary action and, where appropriate, to pay compensation. The same shall apply if they omit to draw up a document establishing a debt due or if they neglect to issue receivable orders or are, without justification, late in issuing them.

Article 62

1. Accounting officers and assistant accounting officers shall be liable to disciplinary action and, where appropriate, to payment of compensation in respect of payments made by them in disregard of the third subparagraph of Article 40.

They shall be liable to disciplinary action and to payment of compensation in respect of any loss or deterioration of the monies, assets and documents in their charge where such loss or deterioration results from a deliberate error or serious negligence on their part.

Under the same conditions, they shall be responsible for the correct execution of orders received by them in respect of the use and the administration of bank accounts and post office giro accounts, and in particular:

(a) where the payments or recoveries made by them do not agree with the amounts on the payment orders or receivable orders;

(b) where they effect payment to a party other than the entitled payee.

2. Imprest-holders shall render themselves liable to disciplinary action and, where appropriate, to payment of compensation in the following cases:

(a) where they cannot give satisfactory proof, with documents in due and proper form, of payments made by them;

(b) where they effect payment to a party other than the entitled payee.

They shall be liable to disciplinary action and to payment of compensation in respect of any loss or deterioration of the monies, assets and documents in their charge as a result of a deliberate error or serious negligence on their part.

3. The accounting officers, assistant accounting officers and imprest-holders shall insure themselves against the risks arising under this Article.

The Foundation shall cover the insurance costs relating thereto.

A special allowance is granted to the accounting officer, assistant accounting officers and administrators of advance funds. The sums corresponding to this allowance shall be credited each month to an account opened by the Foundation on behalf of each official in order to establish a guarantee fund for the purpose of covering any cash or bank shortage for which the person concerned might render himself liable, in so far as such shortages have not been covered by refund from insurance companies.

The credit balance in these guarantee accounts shall be paid over to the persons concerned when they terminate their appointment as accounting officer, assistant accounting officer or administrator of advance funds.

Article 63

Authorizing officers, accounting officers, assistant accounting officers and imprest-holders shall be liable to disciplinary action and, where appropriate, to the payment of compensation in respect of actions relating to their duties.

Article 64

The Foundation shall be allowed a period of two years from the date when the revenue and expenditure account is submitted to take a decision on the final discharge to be given to accounting officers for the transactions relating thereto.

TITLE VI
PRESENTING AND AUDITING THE ACCOUNTS

SECTION I

PRESENTING THE ACCOUNTS

Article 65

The Administrative Board shall draw up each year a revenue and expenditure account for the Foundation.

This account shall be preceded by an analysis of the financial management in respect of the year in question. It shall cover all revenue and expenditure transactions relating to the preceding financial year. It shall be submitted in the same form and following the same subdivisions as the statement of revenue and expenditure.

Article 66

The revenue and expenditure account shall include the following tables classified in accordance with the nomenclature of the statement of revenue and expenditure of the Administrative Board.

1. A table of revenue including:
 - estimated revenue for the financial year;
 - amendments to the revenue estimates as a result of supplementary or amending statements;
 - revenue collected during the financial year;
 - entitlements still to be collected from the preceding year;
 - entitlements established in the course of the financial year;
 - amounts still to be collected at the end of the financial year.

A statement shall be annexed, where appropriate, to this table, showing the balances and gross amounts of the transactions referred to in Article 22.

2. A table showing the trend in appropriations in respect of the financial year, indicating:
 - the initial appropriations;
 - any amendments to appropriations introduced by means of transfers;
 - any amendments introduced by means of supplementary or amending statements;
 - the final appropriations for the financial year.

3. A table of expenditure showing the use of appropriations in respect of the financial year, indicating:

- the total appropriations;
- the commitments entered into and chargeable to the financial year;
- the payments made at the end of the period of implementation of the statement of revenue and expenditure;
- the amounts still to be paid at the close of the financial year;
- the appropriations carried forward automatically under Article 6 (1) (c);
- the available appropriations carried forward under Article 6 (1) (b);
- the available appropriations to be cancelled.

A statement shall be annexed to this table, where appropriate, showing the balances and gross amounts of the transactions referred to in Article 22.

4. A table showing the use of appropriations carried forward from preceding financial years, indicating:
 - the amount of appropriations carried forward;
 - the payments shown in the accounts at the end of the period of implementation of the statement of revenue and expenditure;
 - the unused appropriations to be cancelled;

Article 67

The Administrative Board shall also draw up a balance sheet of the assets and liabilities of the Foundation as at 31 December of the preceding financial year. A statement of accounts, showing cash movements and balances, drawn up as at the same date, shall be attached thereto.

Article 68

The Administrative Board shall, by 31 March at the latest, send the revenue and expenditure account and the balance sheet of the Foundation for the preceding financial year to the Commission, the Council, the European Parliament and the Court of Auditors.

SECTION II

CHECKING THE ACCOUNTS

The information supplied under (b) may be requested only by the Court of Auditors.

Article 69

he Court of Auditors shall exercise its powers in respect of the Foundation in accordance with the Financial Regulation applicable to the general budget of the European Communities.

The Court of Auditors shall be empowered to audit the documents in respect of the revenue and expenditure which are held in the departments of the Foundation and, in particular, in the department responsible for decisions in respect of such revenue and expenditure.

Article 70

The Foundation shall forward to the Court of Auditors on a quarterly basis and at the latest within the month which follows the end of the quarter, the documents supporting the accounts, in particular the documents and certificates in respect of the correct application of the provisions which govern the implementation of the statement of revenue and expenditure and relating to the commitment and payment of expenditure and the establishment and collection of revenue.

The task of establishing that the revenue has been received and the expenditure incurred in a lawful and proper manner, and that the financial management has been sound, shall extend to the utilization, by bodies outside the Foundations, of Community funds received by way of aid.

The granting of aid to bodies outside the Foundation shall be subject to the acceptance by the recipients of the audit being carried out by the Court of Auditors on the utilization of the amounts granted as aid.

The Court of Auditors may question the Foundation on the subject of the said supporting documents.

Article 72

Any comments which the Court of Auditors considers should appear in its report shall be communicated to the Commission and to the Foundation.

Article 71

The Foundation shall afford the Court of Auditors all the facilities and give it all the information which the Court of Auditors may consider necessary for the performance of its task.

The Foundation shall send its reply to the Court of Auditors and, at the same time, to the Commission. The Court of Auditors shall attach to its report an assessment of the soundness of the financial management.

Article 73

In particular, the Foundation shall place at the disposal of the Audit Board all documents concerning the conclusion of contracts and all accounts of cash or materials, all accounting records or supporting documents, and also administrative documents pertaining thereto, all documents relating to revenue and expenditure, all inventories, all lists of posts in the departments, which the Court of Auditors may consider necessary for auditing the revenue and expenditure account on the basis of records or on the spot.

The Court of Auditors shall conclude its report on the accounts for the preceding financial year not later than 15 July, and shall send it to the Foundation and to Commission. The Court of Auditors shall, not later than that date, make known its observations on the balance sheet.

To this end, the officials whose operations are inspected by the Court of Auditors shall in particular:

The Foundation shall submit the revenue and expenditure account, the balance sheet and the report of the Court of Auditors, together with the replies to the comments, to the European Parliament and the Council by 31 October at the latest. The report of the Court of Auditors, and the Foundation's replies to these observations, shall be published by the Court of auditors in the "Official Journal".

Article 74

(a) make available their cash in hand, and present any other cash, securities and all types of assets, and the supporting documents in respect of their stewardship, with which they are entrusted, and also any books, registers and other documents relating thereto;

The European Parliament, upon a recommendation from the Council which shall act by a qualified majority, shall, before 30 April of the next year, give a discharge to the Administrative Board of the Foundation in respect the implementation of the statement of revenue and expenditure. If that date cannot be met, the Council or the European Parliament shall inform the Administrative Board of the reasons for postponing the decision.

(b) present the correspondence and any other document required for the full implementation of the audit.

The Administrative Board shall take all appropriate steps to comply with the comments appearing in the decisions giving discharge. At the request of the European Parliament, the Council or the Commission, the Administrative Board shall report on the measures taken in the light of these comments. This report shall also be forwarded to the Court of Auditors.

Subject to the provisions of the second sentence of the second subparagraph, the Foundation must give an account, in an Annex to the revenue and expenditure account for the next financial year, of the measures taken in the light of the comments appearing in the decision giving discharge.

TITLE VII

FINAL PROVISIONS

Article 75

The Administrative Board shall inform the Court of Auditors as soon as possible, of all decisions and measures taken in implementation of Articles 3, 6 (6), 14 and 21.

Article 76

On a proposal by the Director and with the assent of the Financial Controller the Administrative Board shall establish the procedures required for implementing this Regulation.

Article 77

This Regulation shall enter into force on the fifth day following its publication in the *Official Journal of the European Communities*.

The Court of Auditors and the Financial Controller shall be informed of the appointment of the accounting officer, assistant accounting officers and imprest-holders made in accordance with Articles 20 and 43.

Done at Brussels, 1 June 1976.

For the Council

The President

G. THORN

