

**Report
following
European Parliament resolution of 26 March 2019 with
observations forming an integral part on discharge
in respect of the implementation of the budget of
the European Aviation Safety Agency
(now European Union Aviation Safety Agency)(EASA)
for the financial year 2017 (2018/2189(DEC))**

(26 August 2019)



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| Observations of the Discharge Authority | Response/Measures taken by EASA | Status/Reference |
|---|--|------------------------------|
| <p>Budget and financial management</p> <p>2. Notes with concern from the Court’s report in its comments from previous years, as an ongoing remark that, although Industry financed activities resulted in a deficit of EUR 7 600 000 in 2016, budgetary results fluctuate over the years and the Agency has accumulated EUR 52 000 000 surplus from this category of activity; recalls that the Agency’s founding Regulation establishes that Industry fees levied should be adequate to cover the Agency’s cost for the related certification activities and thus does not foresee an accumulated surplus; calls on the Agency to report to the discharge authority on the ongoing corrective actions and how it plans to avoid such surplus in the future;</p> | <p>2. A significant part of this surplus has been committed to fund the CORAL programme, which aims to digitalise services to the industry.</p> <p>In addition, in the context of reviewing its fees & charges regulation (Commission Regulation (EU) 319/2014), the Agency has proposed to include a 3-year Performance Plan in its Single Programming Document. The Performance Plan would provide transparency on the status of the Agency’s accumulated surplus and document how the surplus will be employed to reduce cost increases to the industry over the reference period. At this moment in time the upcoming regulation is under comitology review with a target date of October 2019 for decision by the EASA Committee.</p> <p>Furthermore, EASA will retain part of the surplus to cope with downturns in the aviation market, allowing it to preserve its scarce technical staff. It should be noted that the “assigned revenue” scheme which is binding for the Agency does not allow cross subsidy between the subsidies and fees & charges segments.</p> | <p>Implemented/recurrent</p> |
| <p>Staff policy</p> <p>15. Regrets the gender imbalance within the Agency’s senior management, with 5 out of 5 being male, and within the Management Board members, with 25 out of 29 being male, 4 being female; asks in this regard the Commission and the Member States to take into account the importance of ensuring gender balance when presenting their nominations for members of the Board, asks as well the Agency to take measures ensuring better gender balance within its senior management;</p> | <p>15. EASA monitors gender distribution and encourages female applications during selection procedures. Favourable working conditions, including opportunities for maternity leave, part time working, special part time arrangements for breast feeding, flexi leave and teleworking. EASA signed the Declaration on Equal Opportunities of the Commission’s Women in Transport Platform. Gender balance advocacy group formed in 2018 to raise awareness of gender balance issues. At the beginning of 2019 EASA appointed a female Director.</p> | <p>Recurrent</p> |

Procurement

18. Notes from the Court's report that the Agency chose to use framework contracts with three contractors in cascade for the procurement of IT services for a value of EUR 22 000 000; notes that the Court considers that in such circumstances a competitive procedure between the selected contractors must be used for the specific purchases; welcomes the Agency's reply that it will place increased consideration on the reopening of competitions in order to ensure enhance competition; calls on the Agency to report to the discharge authority on the actions taken to address these recommendations;

19. Notes from the Court's report that by the end of 2017 the Agency was using some of the tools launched by the Commission aimed to introduce a single solution of the electronic exchange of information with third parties participating in public procurement procedures (e-procurement), but not e-invoicing; calls on the Agency to introduce all of the necessary tools to manage procurement procedures and report to the discharge authority on the progress made in that field;

18. The Agency has already addressed the risk and has since then opted, whenever appropriate, for Framework Contracts with reopening of competition instead of cascade. The Agency furthermore makes an increased effort to communicate the importance of enhancing the competition among contractors and prepares contract managers to focus on an improved price-performance ratio.

19. Ref. Directive 2014/55/EU of the European Parliament and of the Council of 16 April 2014 on electronic invoicing in public procurement obliges all contracting authorities engaged in public procurement to support e-invoicing by 2018 (or up to 18 months later in the case of smaller contracting authorities).

Based on this, EASA provides since January 2018, the possibility for all suppliers to electronically submit (email) electronic invoices (pdf). By the end of 2018 more than 80% of invoices have been received electronically (target 2019: 90%). The processing of electronically received invoices and the encoding of the invoice data into EASAs ERP system is done manually, without use of any specific IT tool (e.g. e-prior, OCR). This is considered, to be the most reasonable solution, i.e. offering paperless submission to all stakeholders with reasonable one time and ongoing costs for EASA.

Implemented

Implemented

Prevention and management of conflict of interest and transparency

20. Acknowledges from the Agency that in 2017 it reviewed the process in place concerning its “Policy on impartiality and independence: prevention and mitigation of Conflict of interest” to extend the completion, review and update of Declarations of Interest to all staff members; notes that according to the Agency the publication of an IAS audit report on the prevention and mitigation of conflict of interest is expected in April 2019; calls on the Agency to report to the discharge authority on the comprehensive review of its current system for prevention and mitigation of conflict of interest in 2018/2019 and on the implementation of the Commission’s recommendations; welcomes the Agency’s new guidelines on whistleblowing;

23. Encourages the Agency to ensure the independence of the accounting officer; notes that following the Court’s report, the Agency’s Management Board fulfilled the request of the Court by making the accounting officer administratively directly responsible to the Agency’s Director and functionally responsible to the Management Board, with effect from January 2019; calls on the Agency to report to the discharge authority on the measures taken in this regard

20. The Agency has received end May 2019 the IAS Final Audit Report on Ethics, Fraud Prevention and Conflict of Interest in EASA, with an overall positive conclusion on the management and control systems in place in the area of ethics, fraud prevention and conflict of interest. Following receipt of the IAS Report, the Agency has established an action plan with regard to the IAS recommendations. Most notably, the Agency plans to perform by 31/03/2020 a review of the existing Col framework for EASA staff/Board of Appeal members, including the related Declaration of Interest (DoI) process, as well as a review of the Public Declaration of Interest (PDol) process for the Management Board members and to update the related Agency policies and procedures accordingly.

23. The Agency has implemented the recommendation of the Court. The accounting officer now reports functionally to the Agency’s Management Board, and administratively to the EASA Executive Director, thereby ensuring his independence.

Implemented/recurrent

Implemented