



EUROPEAN PARLIAMENT

2009 – 2014

Plenary sitting

A7-0103/2011

31.3.2011

REPORT

on discharge in respect of the implementation of the budget of the European GNSS Supervisory Authority for the financial year 2009
(C7-0243/2010 – 2010/2183(DEC))

Committee on Budgetary Control

Rapporteur: Georgios Stavrakakis

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1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the budget of the European GNSS Supervisory Authority for the financial year 2009 (C7-0243/2010 – 2010/2183(DEC))

The European Parliament,

- having regard to the final annual accounts of the European GNSS Supervisory Authority for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European GNSS Supervisory Authority for the financial year 2009, together with the Authority's replies¹,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 – C7-0052/2011),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities², and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 1321/2004 of 12 July 2004 on the establishment of structures for the management of the European satellite radio-navigation programmes³, and in particular Article 12 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002⁴ of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0103/2011),
1. Grants the Executive Director of the European GNSS Supervisory Authority discharge in respect of the implementation of the Authority's budget for the financial year 2009;
 2. Sets out its observations in the resolution below;

¹ OJ C 338, 14.12.2010, p.114.

² OJ L 248, 16.9.2002, p. 1.

³ OJ L 246, 20.7.2004, p. 1.

⁴ OJ L 357, 31.12.2002, p. 72.

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Executive Director of the European GNSS Supervisory Authority, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the Official Journal of the European Union (L series).

2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on the closure of the accounts of the European GNSS Supervisory Authority for the financial year 2009 (C7-0243/2010 – 2010/2183(DEC))

The European Parliament,

- having regard to the final annual accounts of the European GNSS Supervisory Authority for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European GNSS Supervisory Authority for the financial year 2009, together with the Authority's replies¹,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 – C7-0052/2011),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities², and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 1321/2004 of 12 July 2004 on the establishment of structures for the management of the European satellite radio-navigation programmes³, and in particular Article 12 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002⁴ of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0103/2011),
1. Approves the closure of the accounts of the European GNSS Supervisory Authority for the financial year 2009;

¹ OJ C 338, 14.12.2010, p.114.

² OJ L 248, 16.9.2002, p. 1.

³ OJ L 246, 20.7.2004, p. 1.

⁴ OJ L 357, 31.12.2002, p. 72.

2. Instructs its President to forward this Decision to the Executive Director of the European GNSS Supervisory Authority, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the Official Journal of the European Union (L series).

3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget for the European GNSS Supervisory Authority for the financial year 2009
(C7-0243/2010 – 2010/2183(DEC))**

The European Parliament,

- having regard to the final annual accounts of the European GNSS Supervisory Authority for the financial year 2009,
 - having regard to the Court of Auditors' report on the final annual accounts of the European GNSS Supervisory Authority for the financial year 2009, together with the Authority's replies¹,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 – C7-0052/2011),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities², and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 1321/2004 of 12 July 2004 on the establishment of structures for the management of the European satellite radio-navigation programmes³, and in particular Article 12 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002⁴ of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0103/2011),
- A. whereas the Authority became financially autonomous in 2006,
- B. whereas the Court of Auditors stated that it was unable to form an opinion on the accounts of the European GNSS Supervisory Authority for the financial year 2007 and points out that the entire architecture of the Galileo project was being revised in 2007 and that the Authority's accounts were prepared in a fragile legal environment,

¹ OJ C 338, 14.12.2010, p.114.

² OJ L 248, 16.9.2002, p. 1.

³ OJ L 246, 20.7.2004, p. 1.

⁴ OJ L 357, 31.12.2002, p. 72.

- C. whereas the Court of Auditors nuanced its statement of assurance on the reliability of the annual accounts for the financial year 2008 and on the legality and regularity of the underlying transactions,
- D. whereas on 5 May 2010 Parliament granted the Executive Director of the European GNSS Supervisory Authority discharge for implementation of the Authority's budget for the financial year 2008¹, and in its resolution accompanying the discharge decision, inter alia:
- regretted that the Court of Auditors nuanced its statement of assurance on the reliability of the annual accounts for the financial year 2008 and on the legality and regularity of the underlying transactions;
 - was concerned that, although under Regulation (EC) No 683/2008² the Commission became responsible, from 1 January 2009, for fund management and implementation of the European satellite navigation programmes (EGNOS and Galileo), neither activities nor any assets had yet been transferred to the Commission by the end of 2008, and that the new distribution of responsibilities between the Commission and the Authority was not clearly reflected in their respective annual accounts,
- E. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,
- F. whereas the budget of the Authority for the year 2009 was EUR 44 400 000 which is a decrease of 64% from the financial year 2008,

Budgetary and financial management

1. Welcomes the fact that, following the entry into force of Regulation (EC) No 683/2008, most of the activities and assets related to the EGNOS and Galileo programmes were transferred to the Commission in December 2009; notes that the remaining part of the activities and assets had to be transferred in 2010;
2. Acknowledges the statement from the Court of Auditors that for the “Framework Programme 7/Galileo/Call 1” grants procedure (EUR 17 500 000) the exclusion criteria were not published and checked and, as regards the eligibility criteria, the Authority did not systematically evidence that it had verified that the small and medium enterprises criteria for the potential beneficiaries participating in one of the topics were met;
3. Notes also that the final budget published by the Authority on 31 March 2010 did not reflect the final budget for 2009 approved by the Administrative Board and did not include its revenue; urges the Authority therefore to remedy the situation and inform the discharge authority of the change;

¹ OJ L 252, 25.9.2010, p. 218.

² Regulation (EC) No 683/2008 of the European Parliament and of the Council of 9 July 2008 on the further implementation of the European satellite navigation programmes (EGNOS and Galileo) (OJ L 196, 24.7.2008, p. 1).

Human resources

4. Regrets the deficiencies in staff selection procedures which put at risk the transparency of these procedures; acknowledges, in fact, that the Court of Auditors reported that with regard to the four staff selection procedures audited, no evidence existed that the weightings of the selection criteria and the thresholds that candidates had to meet in order to be invited to the written tests and interviews were established before the evaluation process began and no evidence existed that the questions for the written tests and interviews were defined prior to drawing up the shortlist of candidates; calls therefore on the Authority to remedy the situation by improving its selection procedures;
5. Stresses also the need to remedy deficiencies which infringe the principle of equal treatment in the application of the eligibility criteria in recruitment procedures open to both internal and external candidates; acknowledges, in fact, from the Court of Auditors that in one recruitment procedure audited, one candidate was considered eligible even though it had been clearly established from the beginning of the procedure that he did not meet the selection criteria but was an internal candidate;

Internal audit

6. Acknowledges that the Internal Audit Service (IAS) conducted its internal audit in November 2007 and its follow-up audits in October 2008 and December 2009; notes that the two remaining important IAS recommendations yet to be implemented relate to sensitive posts and job descriptions;
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7. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of ... May 2011¹ on the performance, financial management and control of the agencies.

¹ Texts adopted, P7_TA-PROV(2011).

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	21.3.2011
Result of final vote	+: 20 -: 1 0: 2
Members present for the final vote	Marta Andreasen, Jean-Pierre Audy, Inés Ayala Sender, Jorgo Chatzimarkakis, Tamás Deutsch, Martin Ehrenhauser, Jens Geier, Ingeborg Gräßle, Iliana Ivanova, Elisabeth Köstinger, Monica Luisa Macovei, Aldo Patriciello, Crescenzo Rivellini, Bart Staes, Georgios Stavrakakis, Søren Bo Søndergaard
Substitute(s) present for the final vote	Thijs Berman, Zuzana Brzobohatá, Derk Jan Eppink, Christofer Fjellner, Ivailo Kalfin, Marian-Jean Marinescu, Véronique Mathieu