



Plenary sitting

A8-0087/2017

28.3.2017

REPORT

on discharge in respect of the implementation of the budget of the European
Aviation Safety Agency for the financial year 2015
(2016/2173(DEC))

Committee on Budgetary Control

Rapporteur: Inés Ayala Sender

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1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the budget of the European Aviation Safety Agency for the financial year 2015 (2016/2173(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2015,
- having regard to the Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2015, together with the Agency's reply¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 – C8-0059/2017),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³, and in particular Article 208 thereof,
- having regard to Regulation (EC) No 216/2008 of the European Parliament and of the Council on common rules in the field of civil aviation and establishing a European Aviation Safety Agency, and repealing Council Directive 91/670/EEC, Regulation (EC) No 1592/2002 and Directive 2004/36/EC⁴, and in particular Article 60 thereof,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council⁵, and in particular Article 108 thereof,
- having regard to Rule 94 of and Annex IV to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0087/2017),

¹ OJ C 449, 1.12.2016, p. 56.

² OJ C 449, 1.12.2016, p. 56.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 79, 19.3.2008, p. 1.

⁵ OJ L 328, 7.12.2013, p. 42.

1. Grants the Executive Director of the European Aviation Safety Agency discharge in respect of the implementation of the Agency's budget for the financial year 2015;
2. Sets out its observations in the resolution below;
3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the executive director of the European Aviation Safety Agency, 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 Aviation Safety Agency for the financial year 2015
(2016/2173(DEC))**

The European Parliament,

- having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2015,
- having regard to the Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2015, together with the Agency's reply¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 – C8-0059/2017),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³, and in particular Article 208 thereof,
- having regard to Regulation (EC) No 216/2008 of the European Parliament and of the Council on common rules in the field of civil aviation and establishing a European Aviation Safety Agency, and repealing Council Directive 91/670/EEC, Regulation (EC) No 1592/2002 and Directive 2004/36/EC⁴, and in particular Article 60 thereof,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council⁵, and in particular Article 108 thereof,
- having regard to Rule 94 of and Annex IV to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0087/2017),

¹ OJ C 449, 1.12.2016, p. 56.

² OJ C 449, 1.12.2016, p. 56.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 79, 19.3.2008, p. 1.

⁵ OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of the European Aviation Safety Agency for the financial year 2015;
2. Instructs its President to forward this decision to the executive director of the European Aviation Safety Agency, 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 the decision on discharge in respect of the implementation of the budget of the European Aviation Safety Agency for the financial year 2015
(2016/2173(DEC))**

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Aviation Safety Agency for the financial year 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0087/2017),
- A. whereas, according to its financial statements, the final budget of the European Aviation Safety Agency ("the Agency") for the financial year 2015 was EUR 204 907 790, representing an increase of 11,58 % compared with 2014; whereas 18,27 % of the budget of the Agency derives from the Union budget,
- B. whereas the Court of Auditors ("the Court"), in its report on the annual accounts of the European Aviation Safety Agency for the financial year 2015 ("the Court's report"), has stated that it has obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular,
- C. whereas in the context of the discharge procedure, the discharge authority stresses the special importance of further strengthening the democratic legitimacy of the institutions of the Union by improving transparency and accountability, implementing the concept of performance based budgeting and good governance of human resources;

Budget and financial management

1. Notes that the budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 98 %, representing an increase of 0,9 % compared to 2014; notes, furthermore, that the payments appropriations execution rate was at 91 %;
2. Observes that the marginal reduction in staff cost commitments of EUR 539 000 was due to the combined effect of staff leaving the Agency throughout the year (19 temporary agents and 3 contract agents), and the entry of new staff (23 temporary agents and 3 contract agents), mainly taking up employment during the last 3 months of the year; notes moreover that the staff expenditure, as a percentage of the overall 2015 budget, decreased by 1,7 % and is currently at 53 % of the overall budget;
3. Notes that the commitments for other administrative expenditure increased by EUR 5 692 000 (3,8 %) in absolute terms to EUR 21 949 000, representing 15,7 % of the overall percentage of the Agency's budget; notes that this increase is largely due to the costs of the Agency's impending move to its new premises in 2016 and the related increase in IT investment;

4. Welcomes the Agency's efforts throughout 2015 to improve the level of planning and monitoring, in particular with regard to budget implementation rate, framework contract management and to provide timely feedback as concerns risks and delays to the top management;

Commitments and carryovers

5. Notes from the Court's report that the carry-overs of committed appropriations for Title II (administrative expenditure) were at EUR 4 400 000 (20,2 %) compared to EUR 3 600 000 (22 %) in 2014; notes moreover that the carryovers of committed appropriations for Title III (operational expenditure) were EUR 2 000 000 (32,0 %) compared to EUR 2 000 000 (38,1 %) in 2014; acknowledges that these carry-overs mainly relate to IT developments ordered near the year-end, as well as to rule making activities and research projects of a multiannual nature which therefore go beyond 2015;
6. Notes that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes and do not necessarily indicate weaknesses in budget planning and implementation nor are they always at odds with the budgetary principle of annuality, in particular if they are planned in advance and communicated to the Court;

Procurement and recruitment procedures

7. Observes that, following the reorganisation of the Agency, it conducted 24 recruitments from reserve lists in addition to organising 33 external and 80 internal selection procedures, which resulted in the Agency reaching full employment by year-end; notes moreover that the Agency is to include a breakdown of its staff by category and sector, as well as by source of funding for their activities, in its 2016 annual report;
8. Notes from the Agency that it adopted in the second half of 2015 new rules on the general implementing provisions on the procedure governing the engagement and use of temporary staff under Article 2(f) of the Conditions of Employment of Other Servants of the European Union; acknowledges moreover that these new rules are promoting internal mobility, mobility among agencies and are harmonising rules for external selection procedures;
9. Welcomes the fact that the Agency has been gradually changing its recruitment approach from a reactive one (identification of needs linked to filling gaps, automatically replacing leavers) to a proactive one (forward planning, prioritisation and redeployment, and aligning resource needs to overall strategic objectives);
10. Notes from the Agency that it improved the level of planning and monitoring of its procurement procedures; notes in particular that the Agency implemented quarterly budget monitoring exercises, ad-hoc procurement planning meetings and that it provides regular feedback to its top management in order to highlight any delays or risks to the implementation; takes note that the Agency developed a procurement and contract management Service Level Agreement with the concerned parties within the Agency, and that it implemented additional monitoring tools such as monitoring of contract end dates or renewals, centralised framework contract consumption monitoring as well as increased access to documents and information through its IT system;

11. Notes the results of the second benchmarking exercise on the Agency's posts, which showed that 13.8% of the jobs were dedicated to administrative support and coordination, 79.5% to operational tasks and 6.7% to control and financial tasks; further notes a transfer (+0.8 percentage points) of posts from Administration categories to Operational ones; considers that a breakdown of staff by category and sector, as well as by source of funding for their activities (fees and charges versus Union subsidies), should also be included in the next Annual Report in order to offer a more detailed picture of the required resources; notes that for the first time the Agency has reached full occupancy of all posts according to the established plan;
12. Notes that, in 2015, the Agency initiated 33 procurement procedures with the value over EUR 60 000, including 12 procedures in support of the MOVE2016 project; notes moreover that approximately 350 specific contracts under framework contracts and 200 low value contracts were concluded;
13. Points out that there is room for improvement in the Agency's procurement planning, particularly as regards framework contracts;

Prevention and management of conflict of interest and transparency

14. Welcomes the proper prevention and management of conflicts of interest and expects that the Parliament, the Council and the public will be informed annually of the results of those measures, and of any follow-up to them;
15. Acknowledges that the Agency adopted an Anti-fraud Strategy in November 2014 to enhance the effective prevention and detection of fraud, as well as to develop counter-procedures; notes with satisfaction that no cases of fraud were reported in 2015;
16. Notes that the Agency has, in the second half of 2015 and in the course of 2016, re-assessed and is continuing to monitor its system and control environment; notes that as the main outcome of this exercise, the Agency produced a specific code of conduct for external experts supporting the work of the Agency, including a policy on Conflict of Interest and a declaration of acknowledgement of the code;
17. Notes that the Agency published the declarations of absence of conflicts of interests and the CVs of their respective management board members on its website; regrets however that some of the CVs are still missing or show inconsistencies; notes moreover that the Agency has put in place a policy on the prevention and management of conflicts of interest which takes into account its external staff members, interim staff and seconded national experts; regrets, however, that the Agency did not foresee any checks of the factual correctness or a process for updating the declarations of interest; encourages the Agency to remedy the situation to ensure necessary public oversight and scrutiny of its management; notes that the Agency set up and implemented internal rules on whistleblowing;"
18. Notes with concern that the Agency has not taken specific initiatives in order to increase transparency relating to its contacts with stakeholders and lobbyists; calls on the agency to enact a proactive lobby transparency policy;

Internal audits

19. Notes that the Commission's Internal Audit Service (IAS) performed a review of open actions resulting from previous audits; notes moreover the conclusion of the IAS that 10 of 11 open actions under review resulting from its previous audits were implemented, with the remaining action scheduled to be closed with the issuance of the 2017-2020 multiannual planning document in December 2015; acknowledges furthermore that this final action was considered as implemented by the IAS in February 2016;
20. Notes that the Internal Audit Capability (IAC) performed in 2015 eight audit assurance engagements across the Agency; points out that the main recommendations resulting from the IAC audit work in 2015 were to be implemented throughout 2016; looks forward to the Agency's next annual report and to further details regarding these audits;

Internal Control

21. Notes that, in 2015, the Agency performed an annual assessment of the "EASA management standards", which integrated both ICS and ISO standards; acknowledges that, as a conclusion of the assessment, the Agency's management system complies with the relevant management standards, thanks to the robust monitoring system which has been established at both management and process level; observes that some potential enhancements were identified regarding business continuity and information and document management; acknowledges that the Agency issued an action plan to define the framework of the policy and the milestones of the implementation plan; acknowledges furthermore that the Agency completed the hiring of its business continuity officer in the first half of 2016;
22. Notes that 18 ex-post control exercises were performed during 2015 covering the areas of mission reimbursement, procurement procedures, certification service providers and corporate service transactions; welcomes the fact that all transactions verified were legal and regular;

Other comments

23. Highlights the Agency's vital role in ensuring the highest possible level of aviation safety throughout Europe; stresses that a common European assessment and alerting system is needed in Europe, in particular in the context of flights over conflict zones; stresses that, in the context of a fast-developing civil aviation sector, exemplified by the ever more widespread use of pilotless aircraft ('drones'), the Agency should be given the necessary financial, material and human resources to successfully perform its regulatory and executive tasks in the fields of safety and environmental protection, but always without compromising its independence and impartiality;
24. Points out that the revision of Regulation (EC) No 216/2008 of the European Parliament and of the Council¹ envisages broadening the scope of competence of the Agency and that, accordingly, the role played by new technologies, such as remotely piloted aircraft systems, must be taken fully into consideration when new competences are assigned;

¹ Regulation (EC) No 216/2008 of the European Parliament and of the Council of 20 February 2008 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency, and repealing Council Directive 91/670/EEC, Regulation (EC) No 1592/2002 and Directive 2004/36/EC (OJ L 79, 19.3.2008, p. 1).

stresses the importance of allocating adequate funding to the Agency to ensure the successful uptake of these new responsibilities, as well as adequate staffing in order to fulfil additional tasks; stresses that the Agency posts (including the related pensions) which are fully financed from industry, and therefore have no impact on the Union budget, should not be subject to any compulsory staff reduction;

25. Welcomes the adoption by the Management Board of the Multi-Annual Programming document 2016-2020 (MAP) including the Agency's strategy, multi-annual objectives and annual actions;
26. Notes that the Agency and the German Transport Ministry have recently agreed on a text for the Agency's headquarters agreement, which was subsequently signed in December 2016; acknowledges that the agreement is pending ratification by the German Bundestag, as required by the national legal system; notes, in addition, that the annual costs per square metre after relocation is expected to be 20 % less than in the previous building; acknowledges that this decrease allows the delivery of better facilities allowing activities previously hosted in ad-hoc rented meeting spaces to be reintegrated;
27. Notes with concern a gender imbalance of 23% female and 77% male within its Management Board members and alternate members; urges the Agency for this imbalance to be corrected and the results communicated to the Parliament as quickly as possible;

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28. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of [xx xxxx 2017]¹ [on the performance, financial management and control of the agencies].).

¹ Texts adopted of that date, P[8_TA(-PROV)(2016)0000].

28.2.2017

OPINION OF THE COMMITTEE ON TRANSPORT AND TOURISM

for the Committee on Budgetary Control

on discharge in respect of the implementation of the budget of the European Aviation Safety Agency for the financial year 2015
(2016/2173(DEC))

Rapporteur: Claudia Schmidt

SUGGESTIONS

The Committee on Transport and Tourism calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Welcomes the finding of the Court of Auditors that the accounts of the European Aviation Safety Agency ('the Agency') for the 2015 financial year are in order;
2. Notes that the Agency's annual budget for 2015 was EUR 185,4 million, of which EUR 36,4 million came from EU subsidies, EUR 91,9 million from fees and charges and EUR 2,2 million from third countries contributions; further notes that the amounts actually received by the Agency, including the assigned revenues committed in the previous years, amounted to EUR 207,2 million;
3. Notes that the amounts carried over in 2015 (from 2015 to 2016) were EUR 6,8 million, i.e. 6,6% of commitments;
4. Notes that 18 ex-post control exercises were performed during 2015 covering the areas of mission reimbursement, procurement procedures, certification service providers and corporate service transactions; welcomes the fact that all transactions verified were legal and regular;
5. Welcomes the proper prevention and management of conflicts of interest and expects that the Parliament, the Council and the public will be informed annually of the results of those measures, and of any follow-up to them;
6. Welcomes the Agency's efforts throughout 2015 to improve the level of planning and monitoring, in particular with regard to budget implementation rate, framework contract

management and to provide timely feedback as concerns risks and delays to the top management;

7. Highlights the Agency's vital role in ensuring the highest possible level of aviation safety throughout Europe; stresses that a common European assessment and alerting system is needed in Europe, in particular in the context of flights over conflict zones; stresses that, in the context of a fast-developing civil aviation sector, exemplified by the ever more widespread use of pilotless aircraft ('drones'), the Agency should be given the necessary financial, material and human resources to successfully perform its regulatory and executive tasks in the fields of safety and environmental protection, but always without compromising its independence and impartiality;
8. Welcomes the adoption by the Management Board of the Multi-Annual Programming document 2016-2020 (MAP) including the Agency's strategy, multi-annual objectives and annual actions;
9. Notes the results of the second benchmarking exercise on the Agency's posts, which showed that 13.8% of the jobs were dedicated to administrative support and coordination, 79.5% to operational tasks and 6.7% to control and financial tasks; further notes a transfer (+0.8 percentage points) of posts from Administration categories to Operational ones; considers that a breakdown of staff by category and sector, as well as by source of funding for their activities (fees and charges versus Union subsidies), should also be included in the next Annual Report in order to offer a more detailed picture of the required resources; notes that for the first time the Agency has reached full occupancy of all posts according to the established plan;
10. Points out that the revision of Regulation (EC) No 216/2008 of the European Parliament and of the Council¹ envisages broadening the scope of competence of the Agency and that, accordingly, the role played by new technologies, such as remotely piloted aircraft systems, must be taken fully into consideration when new competences are assigned; stresses the importance of allocating adequate funding to the Agency to ensure the successful uptake of these new responsibilities, as well as adequate staffing in order to fulfil additional tasks; stresses that the Agency posts (including the related pensions) which are fully financed from industry, and therefore have no impact on the Union budget, should not be subject to any compulsory staff reduction;
11. Deplores the fact that, despite the Agency's efforts, it has not yet been possible, 16 years after the Agency was set up, to conclude the Agency's headquarters agreement; recalls that according to the Common Approach on EU decentralised agencies agreed between the Parliament, the Council, and the Commission, 'all agencies should have headquarters agreements, which should be concluded before the agency starts its operational phase'; notes, in this regard, that another agency, the European Insurance and Occupational Pensions Authority, signed a headquarters agreement with the German Government in 2011; deeply regrets the lack of headquarters agreement and urges the host country to conclude an agreement with the Agency as quickly as possible with a view to clarifying

¹ Regulation (EC) No 216/2008 of the European Parliament and of the Council of 20 February 2008 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency, and repealing Council Directive 91/670/EEC, Regulation (EC) No 1592/2002 and Directive 2004/36/EC (OJ L 79, 19.3.2008, p. 1).

the relationship between national judicial authorities and the Agency, thereby enabling the Agency to perform its legal tasks without hindrance; welcomes the Commission's proposal to amend the Act establishing the Agency, which includes a provision to securing the headquarters agreement;

12. Proposes that Parliament grants the Executive Director of the Agency discharge in respect of the implementation of the Agency's budget for the financial year 2015.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	28.2.2017
Result of final vote	+: 42 -: 2 0: 2
Members present for the final vote	Daniela Aiuto, Lucy Anderson, Marie-Christine Arnautu, Georges Bach, Izaskun Bilbao Barandica, Luis de Grandes Pascual, Andor Deli, Karima Delli, Isabella De Monte, Ismail Ertug, Jacqueline Foster, Bruno Gollnisch, Dieter-Lebrecht Koch, Merja Kyllönen, Miltiadis Kyrkos, Bogusław Liberadzki, Peter Lundgren, Marian-Jean Marinescu, Georg Mayer, Gesine Meissner, Cláudia Monteiro de Aguiar, Jens Nilsson, Markus Pieper, Salvatore Domenico Pogliese, Tomasz Piotr Poręba, Gabriele Preuß, Christine Revault D'Allonnes Bonnefoy, Dominique Riquet, Massimiliano Salini, Claudia Schmidt, Jill Seymour, Claudia Țapardel, Keith Taylor, Pavel Telička, István Ujhelyi, Wim van de Camp, Janusz Zemke, Roberts Zīle, Kosma Złotowski, Elżbieta Katarzyna Łukacijewska
Substitutes present for the final vote	Jakop Dalunde, Mark Demesmaeker, Markus Ferber, Karoline Graswander-Hainz, Kateřina Konečná, Franck Proust

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	22.3.2017
Result of final vote	+: 22 -: 5 0: 0
Members present for the final vote	Inés Ayala Sender, Dennis de Jong, Tamás Deutsch, Martina Dlabajová, Luke Ming Flanagan, Ingeborg Gräßle, Cătălin Sorin Ivan, Jean-François Jalkh, Bogusław Liberadzki, Monica Macovei, Notis Marias, José Ignacio Salafranca Sánchez-Neyra, Petri Sarvamaa, Claudia Schmidt, Bart Staes, Hannu Takkula, Derek Vaughan, Joachim Zeller
Substitutes present for the final vote	Richard Ashworth, Gerben-Jan Gerbrandy, Benedek Jávor, Karin Kadenbach, Julia Pitera, Patricija Šulin
Substitutes under Rule 200(2) present for the final vote	Raymond Finch, Jens Geier, Piernicola Pedicini

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

22	+
ALDE	Martina Dlabajová, Gerben-Jan Gerbrandy, Hannu Takkula
ECR	Monica Macovei
GUE/NGL	Luke Ming Flanagan, Dennis de Jong
PPE	Tamás Deutsch, Ingeborg Gräßle, Julia Pitera, José Ignacio Salafranca Sánchez-Neyra, Petri Sarvamaa, Claudia Schmidt, Joachim Zeller, Patricija Šulin
S&D	Inés Ayala Sender, Jens Geier, Cătălin Sorin Ivan, Karin Kadenbach, Bogusław Liberadzki, Derek Vaughan
VERTS/ALE	Benedek Jávor, Bart Staes

5	-
ECR	Richard Ashworth, Notis Marias
EFDD	Raymond Finch, Piernicola Pedicini
ENF	Jean-François Jalkh

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention