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2004 discharge: European Aviation Safety Agency

1. European Parliament decision on the discharge for the implementation of the budget of the European Aviation Safety Agency for the financial year 2004 (N6-0013/2005 – C6-0170/2005 – 2005/2118(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2004¹,
 - having regard to the Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2004, together with the Agency's replies²,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 - C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 Communities³, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 1592/2002 of the European Parliament and of the Council of 15 July 2002 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency⁴, and in particular Article 49 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities⁵, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V 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 (A6-0104/2006),
1. Grants discharge to the Executive Director of the European Aviation Safety Agency for the implementation of the Agency's budget for the financial year 2004;

¹ OJ C 269, 28.10.2005, p. 5.

² OJ C 332, 28.12.2005, p. 1.

³ OJ L 248, 16.9.2002, p. 1.

⁴ OJ L 240, 7.9.2002, p. 1. Regulation as last amended by Commission Regulation (EC) No 1701/2003 (OJ L 243, 27.9.2003, p. 5).

⁵ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

2. Sets out its comments in the resolution below;
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 Aviation Safety Agency, the Council, the Commission and the Court of Auditors and to have them published in the Official Journal of the European Union (L series).

2. European Parliament decision on the closure of the accounts of the the European Aviation Safety Agency for the financial year 2004 (N6-0013/2005 – C6-0170/2005 – 2005/2118(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2004¹,
 - having regard to the Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2004, together with the Agency's replies²,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 - C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 Communities³, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 1592/2002 of the European Parliament and of the Council of 15 July 2002 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency⁴, and in particular Article 49 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities⁵, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V 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 (A6-0104/2006),
1. Notes the following figures for the accounts of the European Aviation Safety Agency for the financial years 2004 and 2003:

¹ OJ C 269, 28.10.2005, p. 5.

² OJ C 332, 28.12.2005, p. 1.

³ OJ L 248, 16.9.2002, p. 1.

⁴ OJ L 240, 7.9.2002, p. 1. Regulation as last amended by Commission Regulation (EC) No 1701/2003 (OJ L 243, 27.9.2003, p. 5).

⁵ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

Revenue and expenditure account for the financial years 2004 and 2003⁽¹⁾ (in EUR 1000)

	2004	2003
Operating revenue		
Community subsidies	7 777	3 725
Other subsidies	248	0
Reimbursement of expenditure	3	0
Other revenue	350	0
Total (a)	8 378	3 725
Operating expenditure		
Staff	5 556	662
Buildings and related expenditure	689	92
Other administrative expenditure	743	82
Allocation to provisions	89	1
Operating expenditure	2 081	261
Total (b)	9 158	1 098
Operating outturn (c = a - b)	-780	2 627
Financial income (d)	0	0
Financial expenses (e)	2	0
Financial outturn (f = d - e)	-2	0
Outturn for the financial year (g = c + f)	-782	2 627

⁽¹⁾ The data for the financial year 2003 have been restated to make them comparable, following the transition to accruals-based accounting.

2. Approves the closure of the accounts of the European Aviation Safety Agency for the financial year 2004;
3. 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 have it published in the Official Journal of the European Union (L series).

3. European Parliament resolution with comments forming an integral part of the decision on the discharge for the implementation of the budget of the European Aviation Safety Agency for the financial year 2004 (N6-0013/2005 – C6-0170/2005 – 2005/2118(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2004¹,
 - having regard to the Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2004, together with the Agency's replies²,
 - having regard to the Council's recommendation of 14 March 2006 (5972/2006 - C6-0093/2006),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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 Communities³, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 1592/2002 of the European Parliament and of the Council of 15 July 2002 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency⁴, and in particular Article 49 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities⁵, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V 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 (A6-0104/2006),
- A. whereas the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2004 were reliable and that the underlying transactions, taken as a whole, were legal and regular,

¹ OJ C 269, 28.10.2005, p. 5.

² OJ C 332, 28.12.2005, p. 1.

³ OJ L 248, 16.9.2002, p. 1.

⁴ OJ L 240, 7.9.2002, p. 1. Regulation as last amended by Commission Regulation (EC) No 1701/2003 (OJ L 243, 27.9.2003, p. 5).

⁵ OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

- B. whereas the Court of Auditors states that it has obtained reasonable assurance from all the agencies, excepting the express reservations in respect of the 2004 financial year concerning the European Agency for Reconstruction, the European Centre for the Development of Vocational Training, the European Training Foundation, the European Monitoring Centre on Racism and Xenophobia and the European Food Safety Authority,
1. Recalls that, under Article 185 of the Financial Regulation, Parliament shall give discharge for the implementation of the budgets of the bodies set up by the Communities and having legal personality which actually receive grants charged to the budget; points out, however, that not all of these bodies are fully, or even partially, funded via grants charged to the budget; emphasises that the discharge decision therefore covers both the budget and the non-budget funding of these bodies; considers it unacceptable that some of the bodies set up by the Union are accountable for the expenditure of income received from sources other than the budget whilst others, which do not receive a subsidy from the budget, are not; affirms the principle that all Community agencies, whether or not they are subsidised, are subject to discharge by Parliament, even when another discharge authority intervenes in accordance with their basic texts; takes the view that there is a need to review all texts that go against this principle;
 2. Finds table 1 of the Court of Auditors' report, introduced for the first time during the 2003 discharge exercise, which summarises the Agency's powers and responsibilities, governance, resources, activities and services provided, of great value; notes that the information contained in table 1 is supplied by the Agency; asks the Court of Auditors to verify the contents of table 1;
 3. Insists that as well as spending money properly, agencies should also strive to spend money as efficiently and effectively as possible; invites the Court of Auditors to consider the possibility of extending its specific annual reports on the agencies to include an examination of performance and achievement of objectives; in this context and in line with its resolutions on the 2003 discharge, insists that the following aspects be taken into account: that duplication of work among the agencies must be avoided as much as possible and that measures designed to improve transparency and communication with the public must be clarified, along with Community affirmative action measures at all levels of recruitment, training and the assignment of responsibilities;
 4. Notes that Community agencies do not always have a good image or good press and that many of them do not deserve such a negative image; points out that EU citizens should be made aware of this, with appropriate means being used to explain as often as is necessary the *raison d'être* and achievements of the agencies; calls on the Commission to act accordingly, using whatever means it considers necessary;
 5. Notes that the enlargement of the European Union in 2004 has affected the structures and operating arrangements of the Community agencies in many ways, and that several of the agencies draw attention to these effects in their activity reports, focusing in particular on the increase in the number of administrators; calls on the Commission to assess the real or supposed problems encountered and to recommend the regulatory changes required;
 6. Notes that the Commission has made a commitment to harmonising the way in which activity reports concerning its directorates-general are presented; calls for a similar approach to be taken in respect of the activity reports of the Communities' agencies, which

differ significantly in terms of content; calls on the Commission to point out to the Communities' agencies the information and activity indicators that they must provide;

7. Welcomes the fact that the Court of Auditors found the Agency's accounts for 2004 to be reliable and the underlying transactions, taken as a whole, to be legal and regular;
8. Notes the Court of Auditors' remark that the Agency's initial budget and its amending budgets as published in the Official Journal do not give a breakdown of appropriations in term of articles and items as required by Article 22 of Regulation (EC, Euratom) No 2343/2002; reminds the Agency of the principle of specification and urges it to respect this principle in order to allow the clear and transparent implementation of the budgets set by the budget authority;
9. Notes that the Agency did not record the loss on the 2003 budget as an amending budget in 2004 in accordance with the rules; expects the Agency, in future, to include negative balances at year end in amending budgets the following financial year;
10. Is concerned by the anomalies noted by the Court of Auditors in budgetary management, including a lack of any indication in the amending budgets about transfers carried out or about the reasons for these transfers and a failure to inform the Management Board about transfers and payment of advances outside the budget; welcomes the steps taken by the Agency to improve budgetary management;
11. Notes that in 2004 the Agency had not yet adopted the implementing rules for its financial regulation and had not carried out any risk analysis or prepared any internal control standards; welcomes the Agency's adoption in June 2005 of the implementing rules for its financial regulation and the recruitment of a risk manager/internal auditor;
12. Notes that staff selection procedures at the Agency have varied from one round of selections to another and urges the Commission and the Agency to agree on a transparent and coherent recruitment procedure consistent with the Agency's needs in terms of specifically qualified personnel;
13. Is pleased to note the Agency's assurance that recruitment procedures will be formalised by the drawing up of manuals of procedure in order to improve the transparency of decisions taken in this regard and to avoid apparently arbitrary variations in staff selection procedures, as stressed by the Court of Auditors;
14. Notes that over 70 % of the Commission's subsidy to the Agency was implemented under titles I and II, which concern personnel and administrative expenses only, and that, in operational expenditure, the Agency spent only about 10 % of the Commission's subsidy; also notes that the increase from 2003 to 2004 in expenditure on personnel and administration was much greater than the increase in operational expenditure;
15. Calls on the Commission to help the agencies follow as closely as possible the work plan agreed for the year ahead, allowing activities to be properly planned and implemented, and particularly to avoid major, last-minute changes to the work load;
16. Asks the Commission to improve synergies between agencies by making cooperation more effective, avoiding duplication of work and addressing shortcomings, in particular as

regards common areas such as training, the implementation of Community policies across the board, the use of the latest management systems and solving problems relating to sound management of the budget.