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*Plenary sitting*

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**A8-0102/2016**

7.4.2016

# REPORT

on discharge in respect of the implementation of the budget of the European  
Maritime Safety Agency for the financial year 2014  
(2015/2174(DEC))

Committee on Budgetary Control

Rapporteur: Derek Vaughan

## CONTENTS

	<b>Page</b>
1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION .....	3
2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION .....	5
3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION .....	7
OPINION OF THE COMMITTEE ON TRANSPORT AND TOURISM .....	11
RESULT OF FINAL VOTE IN COMMITTEE RESPONSIBLE .....	14

## 1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

### **on discharge in respect of the implementation of the budget of the European Maritime Safety Agency for the financial year 2014 (2015/2174(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of the European Maritime Safety Agency for the financial year 2014, together with the Agency's replies<sup>1</sup>,
- having regard to the statement of assurance<sup>2</sup> 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0072/2016),
- 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 1605/2002<sup>3</sup>, and in particular Article 208 thereof,
- having regard to Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency<sup>4</sup>, and in particular Article 19 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 Communities<sup>5</sup>,
- 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 Council<sup>6</sup>, and in particular Article 108 thereof,

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<sup>1</sup> OJ C 409, 9.12.2015, p. 216.

<sup>2</sup> OJ C 409, 9.12.2015, p. 216.

<sup>3</sup> OJ L 298, 26.10.2012, p. 1.

<sup>4</sup> OJ L 208, 5.8.2002, p. 1.

<sup>5</sup> OJ L 357, 31.12.2002, p. 72.

<sup>6</sup> OJ L 328, 7.12.2013, p. 42.

- having regard to Rule 94 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 (A8-0102/2016),
1. Grants the Executive Director of the European Maritime Safety Agency discharge in respect of the implementation of the Agency's budget for the financial year 2014;
  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 Maritime 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 Maritime Safety Agency for the financial year 2014  
(2015/2174(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of the European Maritime Safety Agency for the financial year 2014, together with the Agency's replies<sup>1</sup>,
- having regard to the statement of assurance<sup>2</sup> 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0072/2016),
- 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 1605/2002<sup>3</sup>, and in particular Article 208 thereof,
- having regard to Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency<sup>4</sup>, and in particular Article 19 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 Communities<sup>5</sup>,
- 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 Council<sup>6</sup>, and in particular Article 108 thereof,

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<sup>1</sup> OJ C 409, 9.12.2015, p. 216.

<sup>2</sup> OJ C 409, 9.12.2015, p. 216.

<sup>3</sup> OJ L 298, 26.10.2012, p. 1.

<sup>4</sup> OJ L 208, 5.8.2002, p. 1.

<sup>5</sup> OJ L 357, 31.12.2002, p. 72.

<sup>6</sup> OJ L 328, 7.12.2013, p. 42.

- having regard to Rule 94 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 (A8-0102/2016),
1. Notes that the final annual accounts of the European Maritime Safety Agency are as annexed to the Court of Auditors' report;
  2. Approves the closure of the accounts of the European Maritime Safety Agency for the financial year 2014;
  3. Instructs its President to forward this decision to the Executive Director of the European Maritime 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 Maritime Safety Agency for the financial year 2014  
(2015/2174(DEC))**

*The European Parliament,*

- having regard to its decision on discharge in respect of the implementation of the budget of the European Maritime Safety Agency for the financial year 2014,
  - having regard to Rule 94 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 (A8-0102/2016),
- A. whereas, according to its financial statements, the final budget of the European Maritime Safety Agency (“the Agency”) for the financial year 2014 was EUR 52 403 276, representing a decrease of 9,37 % compared to 2013;
- B. whereas the Court of Auditors (“the Court”), in its report on the annual accounts of the European Maritime Safety Agency for the financial year 2014 (“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;

#### ***Follow-up of 2013 discharge***

1. Appreciates the fact that the Court did not make any comments on the Agency’s financial management in 2014; welcomes the fact that the Agency has completed a physical inventory of administrative equipment and invites the Agency to accelerate its work on improving accounting procedures and information in respect of costs for internally created intangible assets;

#### ***Budget and financial management***

2. Notes that the budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 94,78 % and the payment appropriations execution rate was 93,77 %;

#### ***Commitments and carryovers***

3. Acknowledges that, according to the Court of Auditors' annual audit, as well as the Agency’s annual activity report, no notable issues with regard to the level of carryovers in 2014 were identified; observes that EUR 5 178 491 was carried forward from the financial year 2013; notes with satisfaction that only 3,80 % of the 2013 carryovers were cancelled;
4. Regrets, especially in the context of the Agency's new legal framework, that the commitment execution in 2014 is below the 95% target of the Commission, resulting in the Commission imposing a penalty in respect of the Draft Budget 2016; calls on the

Agency to state the reasons for the failure to meet the 95% target; urges the Agency to improve the budget execution and reduce this level to the ceilings established by Commission;

### ***Transfers***

5. Notes that, according to the Agency's annual activity report, the level and nature of transfers in 2014 have remained within the limits of the Agency's financial rules; notes that all Agency transfers for 2014 were below 10 % of the appropriations for the financial year of the budget line, when transferring from one title to another;

### ***Procurement and recruitment procedures***

6. Takes note of the fact that the Agency launched 82 procurement procedures in the financial year 2014, with 15 special negotiated procedures and 67 open and low value negotiated procedures; notes furthermore that the amount paid for procurement contracts signed in 2014 was EUR 3 432 061;
7. Notes from the Court's report that at the year-end, the Agency had 210 posts in its establishment plan, of which 198 were occupied, 30 posts planned in the budget for contract staff, of which 29 were occupied as well as 18 posts for seconded national experts, of which 15 were occupied; has ascertained that in anticipation of the staff reduction and evolving work priorities, the Agency reduced its number of posts dealing with overhead functions by three; understands from the Agency that, in order to respond more effectively to the increased workload, identify the expertise currently available in the Agency and support an internal mobility policy, the Agency created a Human Capital Database as an internal management support tool;
8. Notes the results of the first benchmarking exercise on the Agency's posts, which showed that with 20,3 % of the jobs were dedicated to administrative support and coordination, 70,8 % to operational tasks and 6,6 % to control and financial tasks;

### ***Prevention and management of conflicts of interests and transparency***

9. Understands from the Agency that its Administrative Board has amended its rules of procedure; notes that these amended rules reflect the need for the Administrative Board members and alternates to provide, in addition to the signed declarations of commitment and confidentiality, their CVs for publication on the Agency's website; notes that the publication of these CVs was expected before October 2015; notes moreover that the CVs of the Agency's Executive Director and senior management are already published on its website;
10. Notes that the Agency's strategy on fraud prevention and detection, which has been developed completely in accordance with the guidelines provided by the European Anti-Fraud Office, was adopted in November 2015; understands that a number of additional actions are to be implemented during the 2015-2016 period; calls on the Agency to inform the discharge authority on the status of implementation of these actions;
11. Welcomes the fact that according to the stakeholder survey launched by the Agency in 2014, the Agency is perceived as highly professional and equipped with high technical



expertise to deliver its mission; notes with concern that transparency comes out as a weak point in this survey and invites the Agency to work towards reverting this perception by stakeholders;

### ***Performance***

12. Welcomes the fact that the Agency is developing medium-term objectives and action plans to improve its performance towards the achievement of the strategic goals set in the 5-year strategy adopted by the Administrative Board in 2013; regrets, in this context that the multi-annual financial framework of the Union for the period 2014-2020, in clear contrast with the new legal remit for the Agency set out in Regulation (EU) No 100/2013, may impose an adaptation of the strategy of the Agency due to financial constraints;

### ***Internal controls***

13. Notes that one of the key elements of the Agency's internal control system is the control and registration of exceptions to established regulations, policies, rules and procedures; observes that a total of 11 such exceptions were registered during the course of 2014, of which were nine ex-ante and two were ex-post; understands from the Agency that corrective actions were carried out where necessary or clarifications were given in order to avoid similar situations occurring in the future;

### ***Internal audit***

14. Notes that in 2014, the Commission's Internal Audit Service (IAS) conducted an audit on the "Building Blocks of Assurance" at the Agency; notes that, according to the IAS, the internal control system put in place by the Agency's management provides reasonable assurance regarding the achievement of the business objectives established for the annual report and the underlying assurance building process;
15. Observes that, at the time of the audit, there was no formalised and documented process of drafting the annual report, leading to the risk that some actors involved in the process might not be fully aware of their responsibilities; notes that following the audit, the Agency established an action plan to address all recommendations stemming from the audit report which was subsequently approved by the IAS; notes that the Agency reviewed and documented the process of drafting the annual report in order to provide clear guidelines and a definition of the roles and responsibilities for all actors involved in the process of drafting, assessing and approving the annual report;

### ***Other comments***

16. Notes with satisfaction that the Agency actively sought potential synergies with other agencies; notes in particular that the Agency is sharing its Business Continuity Facility in Madrid with the Joint Undertaking for ITER and the Development of Fusion Energy and with the European Fisheries Control Agency; notes that the Agency, given the geographical proximity, has developed a close cooperation in the area of human resources, infrastructure and ICT with the European Monitoring Centre for Drugs and Drug Addiction ;
17. Calls on the Agency to enhance its procedures and practices that are aimed at

safeguarding the financial interests of the Union and to actively contribute to a results-oriented discharge process;

18. Highlights the Agency's contribution to maritime safety, the prevention of ship pollution in Europe, and the assistance provided to Member States and the Commission under international and Union law; deplores the fact that, while extending competences to a new set of core tasks and introducing new ancillary tasks to be executed by the Agency following the entry into force of its amended basic regulation in February 2013 (Regulation (EU) No 100/2013 of the European Parliament and of the Council of 15 January 2013 amending Regulation (EC) No 1406/2002 establishing a European Maritime Safety Agency), staff reduction and budgetary cuts became applicable in 2014; welcomes and encourages the Agency's collaboration with other European Agencies regarding the refugee crisis and reaffirms that the Agency has to be given the financial, material and human resources it needs to perform its tasks effectively, including when dealing with critically important activities outside its mandate, that is, its contribution in the form of know-how and operational support, through its staff, to managing the refugees crisis;
19. Highlights that the Agency's know-how and in-house capabilities provide the opportunity for it to expand its activities and services, providing them on a more global scale, thereby contributing to increasing the reach of Union regulatory frameworks and safety and environmental standards;

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20. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of [xx xxxx 2016]<sup>1</sup> [on the performance, financial management and control of the agencies].).

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<sup>1</sup> Texts adopted of that date, P[8\_TA(-PROV)(2016)0000].

17.2.2016

## **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 Maritime Safety Agency for the financial year 2014  
(2015/2174(DEC))

Rapporteur: Inés Ayala Sender

### **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 transactions underlying the accounts of the European Maritime Safety Agency ('the Agency') for the 2014 financial year are in order;
2. Notes that the Agency's annual budget for 2014, taking into account carry-overs, was EUR 52,4 million in commitment appropriations and EUR 52,07 million in payment appropriations, and that the implementation rates were 94,78 % and 95,52 % respectively;
3. Regrets, mostly in the context of the new EMSA legal framework, that the commitment execution in 2014 is below the 95% target of the Commission, resulting in the penalty applied by the Commission on the Draft Budget 2016; calls on the Agency to state the reasons for the failure to meet the 95% target; urges the Agency to improve the budget execution and reduce this level to the ceilings established by Commission;
4. Highlights the Agency's contribution to maritime safety, the prevention of ship pollution in Europe, and the assistance provided to Member States and the Commission under international and Union law; deplores that, while extending competences to a new set of core tasks and introducing new ancillary tasks to be executed by the Agency following the entry into force of its amended basic regulation in February 2013 (Regulation (EU) No 100/2013 of the European Parliament and of the Council of 15 January 2013 amending Regulation (EC) No 1406/2002 establishing a European Maritime Safety Agency), staff reduction and budgetary cuts became applicable in 2014; welcomes and encourages Agency collaboration with other European Agencies regarding the refugees crisis and reaffirms that the Agency has to be given the financial, material and human resources it

needs to perform its tasks effectively, including when dealing with critically important activities outside its mandate, i.e. contribution with know-how, operational support and staff of the Agency to the refugees crisis;

5. Notes the results of the first benchmarking exercise on the Agency's posts, with 20,3 % of the jobs dedicated to administrative support and coordination, 70,8 % to operational tasks and 6,6 % to control and financial tasks;
6. Welcomes the fact that the Agency is developing medium-term objectives and action plans to improve its performance towards the achievement of the strategic goals set in the 5-year strategy adopted by the Administrative Board in 2013; regrets, in this context that the multi-annual financial framework of the EU for the period 2014-2020, in clear contrast with the new legal remit for EMSA set out in Regulation (EU) No 100/2013, may impose an adaptation of the strategy of the Agency due to financial constraints;
7. Highlights that the Agency's know-how and in-house capabilities provide the opportunity to expand its action and service provision to a more global scale, thereby contributing to increasing the reach of Union regulatory frameworks and safety and environmental standards;
8. Deplores the continuing failure to complete the corrective action required in the light of the comment of Court of Auditors in 2012 on accounting procedures and information relating to internally generated intangible assets; calls on the Agency to explain the reasons for this failure and take all appropriate steps to ensure the utmost transparency;
9. Welcomes the publication on the Agency's website of short CVs of the Executive Director and senior management; regrets, however, that the declarations of interest of the members of the Administrative Board, the Executive Director and the senior management as well as the CVs of the members of the Administrative Board have not been made public as it has been requested by the Parliament and recommended by the Court of Auditors;
10. Welcomes the fact that according to the stakeholder survey launched by EMSA in 2014, the Agency is perceived as highly professional and equipped with high technical expertise to deliver its mission; notes with concern that transparency comes out as a weak point in this survey and invites the Agency to work towards reverting this perception by stakeholders;
11. Appreciates the fact that the Court of Auditors did not make any comments on the Agency's financial management in 2014; welcomes the fact that the Agency has completed a physical inventory of administrative equipment and invites the Agency to accelerate its work on improving accounting procedures and information in respect of costs for internally created intangible assets;
12. Proposes that Parliament grants the Executive Director of the European Maritime Safety Agency discharge in respect of the implementation of the Agency's budget for the financial year 2014.

## RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

<b>Date adopted</b>	16.2.2016
<b>Result of final vote</b>	+: 39 -: 6 0: 1
<b>Members present for the final vote</b>	Daniela Aiuto, Lucy Anderson, Marie-Christine Arnautu, Inés Ayala Sender, Georges Bach, Izaskun Bilbao Barandica, Deirdre Clune, Michael Cramer, Luis de Grandes Pascual, Andor Deli, Karima Delli, Isabella De Monte, Ismail Ertug, Jacqueline Foster, Bruno Gollnisch, Dieter-Lebrecht Koch, Stelios Kouloglou, Merja Kyllönen, Bogusław Liberadzki, Peter Lundgren, Marian-Jean Marinescu, Georg Mayer, Gesine Meissner, Jens Nilsson, Markus Pieper, Salvatore Domenico Pogliese, Tomasz Piotr Porba, Gabriele Preuß, Christine Revault D'Allonnes Bonnefoy, Dominique Riquet, Massimiliano Salini, Claudia Schmidt, Jill Seymour, Keith Taylor, Pavel Telička, István Ujhelyi, Peter van Dalen, Wim van de Camp, Elissavet Vozemberg-Vrionidi, Janusz Zemke, Kosma Złotowski, Elżbieta Katarzyna Łukacijewska
<b>Substitutes present for the final vote</b>	Daniel Dalton, Karoline Graswander-Hainz, Olga Sehnalová
<b>Substitutes under Rule 200(2) present for the final vote</b>	Gabriel Mato

## RESULT OF FINAL VOTE IN COMMITTEE RESPONSIBLE

<b>Date adopted</b>	4.4.2016
<b>Result of final vote</b>	+ : 15 - : 4 0 : 0
<b>Members present for the final vote</b>	Louis Aliot, Inés Ayala Sender, Dennis de Jong, Martina Dlabajová, Ingeborg Gräßle, Verónica Lope Fontagné, Monica Macovei, Dan Nica, Gilles Pargneaux, Georgi Pirinski, Petri Sarvamaa, Claudia Schmidt, Bart Staes, Marco Valli, Derek Vaughan, Anders Primdahl Vistisen, Tomáš Zdechovský
<b>Substitutes present for the final vote</b>	Marian-Jean Marinescu
<b>Substitutes under Rule 200(2) present for the final vote</b>	Bodil Valero