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*Committee on Budgetary Control*

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**2014/2106(DEC)**

28.1.2015

## **DRAFT REPORT**

on discharge in respect of the implementation of the budget of the European  
Aviation Safety Agency for the financial year 2013  
(2014/2106(DEC))

Committee on Budgetary Control

Rapporteur: Ryszard Czarnecki

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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 2013 (2014/2106(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2013,
- having regard to the Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2013, 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 2013, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of ... on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2013 (00000/2015 – C8-0000/2015),
- having regard to 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 Communities<sup>3</sup>,
- 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>4</sup>, 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/EC<sup>5</sup>, and in particular Article 60 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of

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1 OJ C 442, 10.12.2014, p. 93.

2 OJ C 442, 10.12.2014, p. 93.

3 OJ L 248, 16.9.2002, p. 1.

4 OJ L 298, 26.10.2012, p. 1.

5 OJ L 79, 19.3.2008, p. 1.

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>1</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>2</sup>, and in particular Article 108 thereof,
  - 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 (A8-0000/2015),
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 2013 / Postpones its decision on granting the Executive Director of the European Aviation Safety Agency discharge in respect of the implementation of the Agency's budget for the financial year 2013;
  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).

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<sup>1</sup> OJ L 357, 31.12.2002, p. 72.

<sup>2</sup> OJ L 328, 7.12.2013, p. 42.

## 2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

### **on the closure of the accounts of the European Aviation Safety Agency for the financial year 2013 (2014/2106(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2013,
- having regard to the Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2013, 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 2013, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of ... on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2013 (00000/2015 – C8-0000/2015),
- having regard to 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 Communities<sup>3</sup>,
- 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>4</sup>, 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/EC<sup>5</sup>, and in particular Article 60 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of

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1 OJ C 442, 10.12.2014, p. 93.

2 OJ C 442, 10.12.2014, p. 93.

3 OJ L 248, 16.9.2002, p. 1.

4 OJ L 298, 26.10.2012, p. 1.

5 OJ L 79, 19.3.2008, p. 1.

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>1</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>2</sup>, and in particular Article 108 thereof,
  - 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 (A8-0000/2015),
1. Notes that the final annual accounts of the European Aviation Safety Agency are as annexed to the Court of Auditors' report;
  2. Approves the closure of the accounts of the European Aviation Safety Agency for the financial year 2013 / Postpones the closure of the accounts of the European Aviation Safety Agency for the financial year 2013;
  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 arrange for its publication in the *Official Journal of the European Union* (L series).

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<sup>1</sup> OJ L 357, 31.12.2002, p. 72.

<sup>2</sup> OJ L 328, 7.12.2013, p. 42.

### 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 2013  
(2014/2106(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 2013,
  - 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 (A8-0000/2015),
- A. whereas, according to its financial statements, the final budget of the European Aviation Safety Agency (“the Agency”) for the financial year 2013 was EUR 167 023 535, representing an increase of 5,15 % compared to 2012,
- B. whereas according to its financial statements, the contribution of the Union to the Agency's budget for 2013 amounted to EUR 40 518 135, representing an increase of 4,83 % compared to 2012,
- C. whereas the Court of Auditors, in its report on the annual accounts of the European Aviation Safety Agency for the financial year 2013 ("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 2012 discharge*

1. Notes from the Court's report that regarding one comment made in the Court's 2011 report and marked as “Ongoing” in the Court's 2012 report, the corrective action was taken and the comment is now marked in the Court's 2013 report as "Completed"; notes furthermore that regarding the four comments made in the Court's 2012 report, corrective actions were taken and two comments are now marked as "Completed" while two are marked as "Not Applicable";
2. Acknowledges from the Agency that:
  - information and statistics regarding the management of conflicts of interest were included in the 2013 annual activity report;

- CVs, declarations of interest of the directors have been partially published on the agency's website; calls on the Agency to fully implement this recommendation as a matter of urgency;

- the information on the Agency activities' impact on Union citizens is provided on its website through the yearly publication of strategic documents including the Annual General Report, the Annual Safety Review and the Work Programme;

### ***Comments on the legality and regularity of transactions***

3. Takes note that in 2013 the Agency spent some EUR 22 000 000 on procurement procedures to outsource part of its certification activities to National Aviation Authorities and Qualified Entities; acknowledges that the process of allocating specific certification tasks to the contracting parties, as well as the criteria to be used, were described in specific guidelines established by the Agency through a decision of its Management Board;
4. Notes with concern that the transparency of outsourcing could be improved through the better documentation of the allocation processes, including assessments made on the basis of the criteria set in the guidelines; notes with concern that this is also the case for the allocation of the many other low-value contracts to bidders;

***Commitments and carryovers***<sup>5</sup>. Notes that the overall level of appropriations committed was 98 %, varying between 92 % for title III (Operational expenditure) and 98 % for title II (Administrative expenditure);

6. Takes note of a general reduction of the overall level of committed appropriations carried over from EUR 10 100 000 (11 %) in 2012 to EUR 7 200 000 (8 %) in 2013; is concerned that although the general level of carry-overs has reduced, it remained high for Title III, amounting to EUR 3 400 000 (42 %); points out that although the multiannual nature of the Agency's operations partly justifies the carry-overs, such high level is at odds with the budgetary principle of annuality;

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

7. Notes that the Court of Auditors made no comments in its annual audit report for 2013 as regards the Authority's recruitment procedures;
8. Acknowledges from the Agency that the requirements which must be met by candidates in the recruitment process have been set in compliance with the Staff Regulations of Officials of the European Communities and that the case identified in the Court's 2012 report is considered as closed;

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

9. Notes that during 2013, the Agency reviewed 213 declarations of interest in light of the "Code of Conduct for the staff of EASA" adopted in 2012; points out that two cases of



revolving doors were identified in 2013; notes that the Agency has permitted the notified activities for both revolving door cases under the conditions not to contact and not to lobby the Agency's staff members and to abstain from direct contract negotiations with the Agency during a cooling-off period of 12 to 24 months;

### ***Internal controls***

10. Acknowledges that the Agency's Internal Audit Capability (IAC) conducted nine audits during 2013 in accordance with the Agency's annual audit programme; notes with concern that the IAC identified three audited processes as not providing reasonable assurances regarding the achievement of the Agency's business objectives; acknowledges that most of the actions related to these audits were either implemented or are being implemented; takes note that the implementation rate of the audit recommendations from the IAC for 2013 was 85 %;
11. Acknowledges from the Agency that ex ante and ex post verifications have been implemented following the discussions with the Court and as recommended by the discharge authority; acknowledges the fact that ex post controls are not mandatory according to the Agency's Financial Regulation; notes that an ex post verifications annual plan, which is risk-based and includes public procurement procedures, was set up;

### ***Internal audit***

12. Takes note that the Commission's Internal Audit Service (IAS) released the report on one limited review regarding IT project management in 2013, which resulted in two very important recommendations; notes furthermore that the IAS performed an additional audit on Building Blocks of Assurance which provided the opinion of reasonable assurance as well as two very important recommendations; notes that 22 out of 23 of the very important recommendations issued by the IAS in the previous years were confirmed as completed by the IAS;

### ***Other comments***

13. Takes note that since 2004, when the Agency became operational, it has been working on the basis of correspondence and exchanges with the host Member State; however, a comprehensive headquarters agreement has not yet been signed with the host Member State; notes that such agreement would promote transparency in respect of the conditions under which the Agency and its staff operate;

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14. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of ... 20151 on the performance, financial management and control of the agencies.

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1 Texts adopted of that date, P8\_TA-PROV(2015)0000

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