

2015 discharge: European Environment Agency (EEA)

2016/2166(DEC) - 13/09/2016 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Environment Agency (EEA) for the financial year 2015, together with the Agency's reply.

CONTENT: in accordance with the tasks conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, the Court presents to the European Parliament and to the Council, in the context of the discharge procedure, a Statement of Assurance as to the reliability of the annual accounts of each institution, body or agency of the EU, and the legality and regularity of the transactions underlying them, on the basis of an independent external audit.

This audit concerned, amongst others, the annual accounts of the European Environment Agency (EEA). In brief, this Agency is responsible for setting up an observation network to provide the Commission, the Parliament, the Member States and, more generally, the public with reliable information on the state of the environment.

Statement of assurance: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the Agency, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2015, and
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Court's opinion, the Agency's annual accounts present fairly, in all material respects, its financial position as at 31 December 2015 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer.

Opinion on the legality and regularity of the transactions underlying the accounts: in the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2015 are legal and regular in all material respects.

The report also makes a series of observations on the budgetary and financial management of the Agency, accompanied by the latter's response. The main observations may be summarised as follows:

The Court's observations:

- **budgetary management:** the Court noted that the Agency signed framework contracts with a single contractor which are used for various services under fixed-price specific contracts. The Court stated that competition on price is neutralised and dependence upon the contractor is increased. The Agency should therefore conclude agreements with multiple suppliers with reopening of competition or direct service contracts, whenever possible.

The Agency's replies:

- **budgetary management:** the Agency emphasised that the level of competition of the particular market of satellite imagery production and analysis is relatively limited due to the few number of

service providers operating in the related sectors and the stability and consistency of the prices applied. Furthermore, the technical nature and complexity of the services to be provided require the combination of different expertise that the service providers operating in this market can only provide when joining forces into a consortium. The choice of awarding a framework contract with a single economic operator is therefore a conscious one resulting from an assessment of tangible factors rather than hypotheses.

Lastly, the Court of Auditors' report contains a summary of the **Agency's key figures in 2015**:

- **Budget:** EUR 49.2 million.
- **Staff:** 198 including officials, temporary and contract staff and seconded national experts.