



Procedure file

| Basic information | | |
|---|--------------------------------|---------------------|
| DEC - Discharge procedure | 2005/2111(DEC) | Procedure completed |
| 2004 discharge: European Environment Agency | | |
| Subject 8.70.03.07 Previous discharges | | |

| Key players | | | |
|-------------------------------|--|--------------------------------|------------|
| European Parliament | Committee responsible | Rapporteur | Appointed |
| | CONT Budgetary Control | | |
| European Parliament | Committee for opinion | Rapporteur for opinion | Appointed |
| | ENVI Environment, Public Health and Food Safety | PSE HAUG Jutta | 21/06/2005 |
| Council of the European Union | Council configuration | Meeting | Date |
| | Economic and Financial Affairs ECOFIN | 2716 | 14/03/2006 |
| European Commission | Commission DG | Commissioner | |
| | Budget | | |

| Key events | | | |
|------------|--|---|---------|
| 28/02/2005 | Non-legislative basic document published | N6-0006/2005 | Summary |
| 19/01/2006 | Committee referral announced in Parliament | | |
| 21/03/2006 | Vote in committee | | Summary |
| 27/03/2006 | Committee report tabled for plenary | A6-0098/2006 | |
| 26/04/2006 | Debate in Parliament |  | |
| 27/04/2006 | Results of vote in Parliament |  | |
| 27/04/2006 | Decision by Parliament | T6-0172/2006 | Summary |
| 27/04/2006 | End of procedure in Parliament | | |
| 06/12/2006 | Final act published in Official Journal | | |

| Technical information | |
|-----------------------|---------------------------|
| Procedure reference | 2005/2111(DEC) |
| Procedure type | DEC - Discharge procedure |

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|----------------------------|---------------------------|
| Legal basis | Rules of Procedure EP 100 |
| Stage reached in procedure | Procedure completed |
| Committee dossier | CONT/6/28445 |

Documentation gateway

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|---|------|---|------------|------|---------|
| Non-legislative basic document | | N6-0006/2005 OJ C 269 28.10.2005, p. 0013 | 28/02/2005 | OS | Summary |
| Court of Auditors: opinion, report | | N6-0006/2006 OJ C 332 28.12.2005, p. 0037-0044 | 05/10/2005 | CofA | Summary |
| Committee draft report | | PE367.985 | 03/02/2006 | EP | |
| Supplementary non-legislative basic document | | 05972/2006 | 06/02/2006 | CSL | Summary |
| Committee opinion | ENVI | PE367.653 | 23/02/2006 | EP | |
| Amendments tabled in committee | | PE370.233 | 28/02/2006 | EP | |
| Committee report tabled for plenary, single reading | | A6-0098/2006 | 27/03/2006 | EP | |
| Text adopted by Parliament, single reading | | T6-0172/2006 | 27/04/2006 | EP | Summary |
| Commission response to text adopted in plenary | | SP(2006)2095 | 11/05/2006 | EC | |

Final act

[Budget 2006/830](#)
[OJ L 340 06.12.2006, p. 0090-0090](#) Summary

2004 discharge: European Environment Agency

PURPOSE : presentation of the final accounts of the European Environment Agency for the financial year 2004.

CONTENT : this document published in the Official Journal of the EU sets out a detailed account of the implementation of the 2004 budget, including the revenue and expenditure and the balance sheet for the year concerned.

According to this document, the final budget amounted to EUR 33,6 million (against EUR 27,5 million) including an 81% Community subsidy.

As regards the staffing policy, the Agency, whose headquarters are in Copenhagen (Denmark), officially set out 115 posts in its establishment plan. 102 of these posts are currently occupied with + 15 other posts (auxiliary contracts, seconded national experts, local and employment-agency staff) assigned to operational, administrative and mixed tasks.

The Agency's main activities concentrated on the following :

- support work and provision of indicators for the Synthesis report on sustainable development;
- indicators concerning the state of the environment;
- analysis and estimation of greenhouse gas emissions (1990-2020);
- finalisation of the Kiev report (state of the environment in candidate Central and Eastern European countries);
- three seminars organised under the Presidency of the Council;
- provision of environmental indicators in specific fields (transport sector in candidate countries, Danube region - Black Sea);
- assistance in harmonising data;
- management of the EIONET network (European Environment Information and Observation Network).

The total operational expenditure represented EUR 14,5 million. Half of this amount had been carried over. Over the 2004 financial year, the Agency reported a negative net result of EUR - 2.8 million.

The complete version of the final accounts may be found at the following address:

2004 discharge: European Environment Agency

This report from the Court of Auditors concerns the results of the audit carried out by the Court on the annual accounts of the European Environment Agency for the financial year ended 31 December 2004. The Court states that its audit was planned and performed to obtain reasonable assurance that the accounts are reliable and the underlying transactions are legal and regular. The Agency's accounts for the financial year ended 31 December 2004 are, in all material respects, reliable. The transactions underlying the Agency's annual accounts, taken as a whole, are legal and regular. The observations which follow do not call the Court's opinion into question.

The report shows that the appropriations entered in the final budget amount to EUR 33 612 000 with EUR 31 178 000 committed and EUR 25 448 000 paid. EUR 8 159 000 was carried over to 2005, and EUR 6000 cancelled. The outstanding commitments carried over from the previous financial year were EUR 7 718 000.

The Court makes the following observations:

- at the end of 2004, all the available appropriations in the budget, i.e. EUR 427 189, were transferred to two budget headings under Title III of the budget (operating expenditure) and on the date of the transfer were committed for two operations to be carried out in 2005. Such a practice is not in accordance with the principle of annuality. Furthermore, with regard to the transfers made from Title I (staff expenditure), they contravene the provisions which prohibit the carrying over of appropriations relating to staff expenditure;
- the Agency does not conduct a full annual check on the assets to be entered in its inventory. The audit of fixed assets brought to light omissions from the inventory, which make it impossible to establish where some assets are located;
- the analysis of amendments to various contracts (total value: 107 000 euro) highlighted several shortcomings: amendments which were not justified for one of the reasons stipulated in the financial regulation, the use of a framework contract no longer in force, and the value provided for by an amendment was excessive compared with the value stipulated in the initial contract;
- the Agency is exempt from all national, regional and municipal taxes. In November 2004, the Agency was obliged to pay approximately EUR 906 000 in taxes for the period from 2000 to 2004. Applying the accounting principle of prudence, the Agency has not recorded this sum in its balance sheet as recoverable; an explanatory note concerning this payment appears in the revenue and expenditure account. In this instance, the Court recommends that the Agency should obtain reimbursement of all unwarranted payments.

The Agency responds point by point to the Court's observations:

- indeed two commitments were made towards the end of the year and after a final 2004 budget transfer. The resources were allocated to projects that had been defined initially in the 2004 management plan, but start of the projects was delayed due to uncertainties on budget requirements for ongoing recruitments. The Agency will improve budget management and execution and hence to better conform with the principle of annuality;
- the Agency lacked resources in a period of considerable rebuilding and refurbishing of the EEA facilities. Annual control will get due attention from 2005 onwards;
- the Agency will ensure that, for future contracts, any amendments are strictly limited to less than 50 % of the initial contract amount (rather than indicative tender amount) and that framework contracts are less than four years old before using them;
- the Agency is strenuously pursuing reimbursement of taxes inappropriately charged by the City of Copenhagen for 2000 to 2004.

2004 discharge: European Environment Agency

The committee adopted the report by Umberto GUIDONI (GUE/NGL, IT) recommending that Parliament should grant discharge for the implementation of the budget of the European Environment Agency for 2004.

In their accompanying comments, MEPs noted that the enlargement of the EU in 2004 had affected the structures and operating arrangements of the Community agencies in many ways. They called on the Commission to "assess the real or supposed problems encountered and to recommend the regulatory changes required".

In addition to calling on the agencies to spend the money available to them as efficiently and effectively as possible, MEPs urged them to avoid duplication as far as possible and to clarify measures for improving transparency and communication with the public. This was particularly important as Community agencies "do not always have a good image or good press" and many of them did not deserve such a negative image. The European Environment Agency was nevertheless congratulated on its informative website. The report also called on the EEA to further develop its work in the field of environmental impact assessment.

In its other recommendations, the committee called on the Commission to help harmonise the activity reports of the agencies - which differed significantly in terms of content - by informing them of the common indicators that they must provide, and to improve cooperation between the agencies, particularly in such common areas as training, the use of the latest management systems and solving problems relating to sound management of the budget.

2004 discharge: European Environment Agency

PURPOSE: to grant discharge to the European Environment Agency for the financial year 2004.

LEGISLATIVE ACTS: Decisions 2006/830/EC and 2006/831/EC of the European Parliament on the discharge for the implementation of the

budget of the European Environment Agency for the financial year 2004 and closure of accounts for the year in question.

CONTENT: with the present decisions, the European Parliament grants discharge to the Executive Director of the European Environment Agency for the implementation of the Agency's budget for the financial year 2004 and approves the closure of the accounts.

This decision is in line with the European Parliament's resolution adopted on 27 April 2006 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 27/04/2006).

2004 discharge: European Environment Agency

The European Parliament adopted a resolution drafted by Umberto GUIDONI (GUE/NGL, IT) and granted discharge to the Executive Director of the European Environment Agency for the implementation of the Agency's budget for the financial year 2004. In its accompanying comments, Parliament noted the Court of Auditors' finding that surplus appropriations in 2004 were committed for operations to be carried out in 2005 and that appropriations relating to staff expenditure were carried over. The Agency must respect the principle of budget annuality as defined in the Financial Regulation and the rule prohibiting carry over of appropriations relating to staff expenditure in order to allow a correct and transparent implementation of the budgets set by the budgetary authority. Parliament also noted the weaknesses in checking and the omissions found by the Court of Auditors in its audit of the inventory, and urged the Agency to rectify these shortcomings without delay.

Parliament considered the Agency to be source of important environmental information for all EU institutions and policy-making. It noted with satisfaction that the Agency has been able to transform some complicated data into user-friendly information and to communicate its conclusions to the public, and congratulates the Agency on its informative website.

Parliament also made a series of general remarks on the agencies. As well as spending money properly, agencies should also strive to spend money as efficiently and effectively as possible. The Court of Auditors was asked to consider the possibility of extending its specific annual reports on the agencies to include an examination of performance and achievement of objectives. The following aspects should be taken into account: duplication of work among the agencies must be avoided as much as possible and 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.

Parliament noted that Community agencies did not always have a good image or good press and that many of them did not deserve such a negative image. EU citizens should be made aware of this, and Parliament called on the Commission to act accordingly, using whatever means it considers necessary.

Furthermore, the enlargement of the European Union in 2004 had affected the structures and operating arrangements of the Community agencies in many ways, and several of the agencies draw attention to these effects in their activity reports, focusing in particular on the increase in the number of administrators. The Commission needed to assess the problems encountered and recommend the regulatory changes required.

The Commission had made a commitment to harmonising the way in which activity reports concerning its directorates-general were presented. Parliament called for a similar approach to be taken in respect of the activity reports of the Communities' agencies, which differed significantly in terms of content. The Commission should point out to the agencies the information and activity indicators that they must provide.

Finally, Parliament asked 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.