



Procedure file

| Basic information | | |
|--|--------------------------------|---------------------|
| DEC - Discharge procedure | 2007/2058(DEC) | Procedure completed |
| 2006 discharge: European Aviation Safety Agency (EASA) | | |
| Subject 8.70.03.07 Previous discharges | | |

| Key players | | | |
|-------------------------------|---|--------------------------------------|------------|
| European Parliament | Committee responsible | Rapporteur | Appointed |
| | CONT Budgetary Control | | 27/03/2007 |
| | | NI MARTIN Hans-Peter | |
| | Committee for opinion | Rapporteur for opinion | Appointed |
| | TRAN Transport and Tourism | | 20/11/2007 |
| | | NI ROMAGNOLI Luca | |
| Council of the European Union | Council configuration | Meeting | Date |
| | Economic and Financial Affairs ECOFIN | 2847 | 12/02/2008 |
| European Commission | Commission DG | Commissioner | |
| | Budget | KALLAS Siim | |

| Key events | | | |
|------------|--|---|---------|
| 29/03/2007 | Non-legislative basic document published | SEC(2007)1055 | Summary |
| 25/10/2007 | Committee referral announced in Parliament | | |
| 26/03/2008 | Vote in committee | | Summary |
| 03/04/2008 | Committee report tabled for plenary | A6-0118/2008 | |
| 22/04/2008 | Results of vote in Parliament |  | |
| 22/04/2008 | Debate in Parliament |  | |
| 22/04/2008 | Decision by Parliament | T6-0155/2008 | Summary |
| 22/04/2008 | End of procedure in Parliament | | |
| 31/03/2009 | Final act published in Official Journal | | |

| Technical information | |
|----------------------------|---------------------------|
| Procedure reference | 2007/2058(DEC) |
| Procedure type | DEC - Discharge procedure |
| Legal basis | Rules of Procedure EP 100 |
| Stage reached in procedure | Procedure completed |
| Committee dossier | CONT/6/53880 |

| Documentation gateway | | | | | |
|---|------|--|------------|------|---------|
| Non-legislative basic document | | SEC(2007)1055 | 30/03/2007 | EC | Summary |
| Court of Auditors: opinion, report | | N6-0004/2008 OJ C 309 19.12.2007, p. 0001 | 15/11/2007 | CofA | Summary |
| Supplementary non-legislative basic document | | 05843/2008 | 29/01/2008 | CSL | Summary |
| Committee draft report | | PE396.700 | 13/02/2008 | EP | |
| Committee opinion | TRAN | PE398.627 | 27/02/2008 | EP | |
| Amendments tabled in committee | | PE402.778 | 06/03/2008 | EP | |
| Committee report tabled for plenary, single reading | | A6-0118/2008 | 03/04/2008 | EP | |
| Text adopted by Parliament, single reading | | T6-0155/2008 | 22/04/2008 | EP | Summary |
| Commission response to text adopted in plenary | | SP(2008)3169 | 28/05/2008 | EC | |

| Final act | |
|---|---------|
| Budget 2009/223 OJ L 088 31.03.2009, p. 0201 | Summary |

2006 discharge: European Aviation Safety Agency (EASA)

PURPOSE: presentation of the final accounts of the European Aviation Safety Agency for the financial year 2006.

CONTENT: this document sets out a detailed account of the implementation of the 2006 budget, including the revenue and expenditure and the balance sheet for the year concerned.

According to this document, the final budget amounted to EUR 66.8 million including EUR 33.2 million of revenue from fees and charges and EUR 31.4 million from Community subsidy as well as a contribution from the Federal Republic of Germany (Ministry of Transport) of EUR 1.2 million.

As regards the staffing policy, the Agency, whose head office is now based in Cologne (Germany), set out a total of 328 posts in the establishment plan. 276 of these posts are currently occupied + 33 other posts totalling 309 assigned to operational, administrative and mixed tasks. Staff expenditure in 2006 accounted for EUR 23.595 million (final budget appropriations paid).

During 2006, the Agency carried out the following activities:

Opinions: 5 opinions concerning amendments to Regulations (EC) Nos 1592/2002, 1702/2003 and 2042/2003.

Rulemaking decisions:

- 3 amendments of CS 25, CS-P and CS-ETSO certification specifications;
- 6 amendments of Acceptable Means of Compliance and Guidance Material for Regulations (EC) Nos 1702/2003 and 2042/2003;
- 1 decision on the organisation of approval numbers.

International cooperation:

- 1 agreement protocol concluded with China on the final production line of the Airbus A320 in China and 1 cooperation agreement signed with China on Airbus products in general;
- 1 cooperation agreement concluded with Japan for the export of European products;
- 13 cooperation agreements concluded with every non-EU ECAC country within the context of the continuation of the SAFA programme;
- Extension of the cooperation agreement with the Aeronautical Committee of the Commonwealth of Independent States on Beriev products;

Certification decisions:

- Type certificates: 70
- Supplementary type certificates: 803
- Airworthiness directives: 382
- European Technical Specifications: 178
- Acceptable means of compliance: 97

- Major changes: 1 125
- Minor changes: 1 830
- Major repairs: 1 009
- Minor repairs: 372
- AFM/RFM (= Flight Manual Revisions): 430
- Approval of design organisations: 377
- Approval of maintenance organisations (bilateral): 1 293
- Approval of maintenance organisations (foreign): 201
- Approval of maintenance training organisations: 16
- Approval of manufacturing organisations: 6

Standardisation inspections (number of countries by type):

- Approval of manufacturing organisations: 12 countries
- Approval of maintenance organisations: 26 countries.

The complete version of the final accounts may be found at the following address: <http://www.easa.eu.int/level1/enlangverstempl.html>

2006 discharge: European Aviation Safety Agency (EASA)

The Committee on Budgetary Control adopted the report by Hans-Peter MARTIN (NI, AT) recommending that the Parliament grant the Executive Director of the European Aviation Safety Agency discharge in respect of the implementation of its budget for the financial year 2006.

The parliamentary committee notes that the final annual accounts of the Agency are as annexed to the Court of Auditors report.

MEPs make a series of general comments on the EU agencies before focusing on the individual case of the Agency.

1) General comments on the majority of EU agencies: MEPs note that the budgets of the 24 agencies and other satellite bodies audited by the Court of Auditors totalled more than EUR 1 billion and that the number of agencies is constantly increasing. The number of agencies subject to the discharge procedure evolved from 8 in 2000 to 20 in 2006. They conclude therefore that the auditing/discharge process has become cumbersome and disproportionate compared to the relative size of the agencies and that, in the future, this type of procedure should be simplified and rationalised for decentralised agencies.

On the basis of the financial analysis, MEPs are of the following opinion:

- Fundamental considerations: given the constantly increasing number of agencies, MEPs request that, before the creation of a new agency, the Commission provide clear explanations regarding agency type, objectives of the agency, internal governance structure, products, services, clients and stakeholders of the agency, formal relationship with external actors, budget responsibility, financial planning, and personnel and staffing policy. They also request that each agency be governed by a yearly performance agreement which should contain the main objectives for the coming year and that the performance of the agencies be regularly audited by the Court of Auditors (and extend the financial analysis of expenditure to also cover administrative efficiency and effectiveness). More generally, MEPs take the view that, in the case of agencies, which are continually overestimating their respective budget needs, technical abatement should be made on the basis of vacant posts in order to reduce the assigned revenue for the agencies and therefore also lower administrative costs of the EU. They recall that it is a serious problem that a number of agencies is criticised for not following rules on public procurement, the Financial Regulation, the Staff Regulations etc., and consider that the principal reason for this is that most regulations and the Financial Regulation are designed for bigger institutions rather than for small agencies. Therefore, it is necessary to seek a rapid solution in order to enhance the effectiveness of the legislation by grouping the administrative functions of various agencies together or by establishing implementing rules which are better adapted to the agencies. MEPs also insist that the Commission, when drafting the Preliminary Draft Budget, take into consideration the results of budget implementation by the individual agencies in former years and revise the budget requested by the particular agency accordingly. If the Commission does not undertake this revision, MEPs invite the competent committee to revise, itself, the budget in question to a realistic level. At the same time, MEPs recall that they expect the Commission to present every five years a study on the added value of every existing agency and to not hesitate to close an agency if it is deemed useless by the analysis. Such an assessment is expected as soon as possible given that this type of assessment has yet to be presented. Furthermore, MEPs insist that recommendations of the Court of Auditors should be promptly implemented and the level of subsidies paid to the agencies should be aligned with their real cash requirements.
- Presentation of reporting data: noting that there is no standard approach among the agencies with regard to the presentation of information, MEPs recall that they already invited the directors of the agencies to accompany their annual activity report with a declaration of assurance concerning the legality and regularity of operations, similar to the declarations signed by the Directors General of the Commission. They therefore ask the Commission to amend its standing instructions to the agencies and to produce a harmonised model for presenting information, including: i) an annual report intended for a general readership on the body's operations, work and achievements; ii) financial statements and a report on implementation of the agency's budget; iii) an activity report of the Directors of the agency (as requested by the Parliament since 2005); iv) a declaration of assurance signed by the body's director.
- General findings by the Court of Auditors: MEPs refer to certain recurring findings by the Court, including the disbursement of subsidies paid by the Commission (not sufficiently justified estimates of the agencies' cash requirements), the non implementation of the ABAC accounting system by some agencies or the accrued charges for untaken leave which are accounted for by some agencies. They call for rapid measures in these areas as well as improvements to the internal audit procedures of the agencies. MEPs also call on the agencies to consider an inter-agency disciplinary board, as some individual agencies have difficulty in setting up their own disciplinary boards due to their size.
- Draft inter-institutional agreement: MEPs recall the Commission's draft Interinstitutional agreement on the operating framework for the European regulatory agencies (see [ACI/2005/2035](#)), which intended to create a framework for the creation, structure, operation, evaluation and control of the European regulatory agencies and insist that it be completed as soon as possible. They particularly welcome the Commission's commitment to bring forward a Communication on the future of the regulatory agencies during the course of 2008.

2) Specific points concerning the European Aviation Safety Agency: MEPs note that the Agency carried over some 40% of commitments for administrative expenditure and more than 50% for operational expenditure. They also note that more than 15% of appropriations were cancelled. However, they acknowledge the Agency's justification that the high level of carry-overs was due to the significant outsourcing of its activities to the Member States' National Aviation Authorities (as well as the delayed reception of invoices).

MEPs are also concerned by the fact that the Agency's certification activities cost approximately EUR 48 million whereas revenue only amounted to EUR 35 million. Therefore, the current fees scheme must be reviewed in order to ensure that the Agency's costs for certification activities are covered. It is also necessary to review the Agency's fee structure so as to bring costs and revenue for certification activities into balance. In addition, MEPs note the statement in the Agency's Activity Report that the uncertainty affecting the operating budget for the Agency has continued, due chiefly to low income from fees.

At the same time, MEPs note that the Agency's short-term receivables amounted to EUR 14 million, of which 20% were more than three months old. Therefore, the Agency must implement an effective claim management system.

2006 discharge: European Aviation Safety Agency (EASA)

The European Parliament adopted, by 621 votes in favour, 37 against and 18 abstentions, a Decision to grant the Executive Director of the European Aviation Safety Agency discharge in respect of the implementation of its budget for the financial year 2006. The decision to grant discharge also constitutes closure of the accounts of this EU agency.

At the same time, the Parliament adopted, by 623 votes in favour, 39 against and 17 abstentions, a Resolution containing the comments which form part of the decision giving discharge. The report had been tabled for plenary by Hans-Peter MARTIN (NI, AT) on behalf of the Committee on Budgetary Control.

As is the case for all EU agencies, the Parliament's Resolution is divided into two parts: part one contains general comments on EU agencies, while part two focuses on the specific case of the Agency.

1) General comments on the majority of EU agencies: the Parliament notes that the budgets of the 24 agencies and other satellite bodies audited by the Court of Auditors totalled more than EUR 1 billion and that the number of agencies is constantly increasing. The number of agencies subject to the discharge procedure evolved from 8 in 2000 to 20 in 2006. It concludes therefore that the auditing/discharge process has become cumbersome and disproportionate compared to the relative size of the agencies and that, in the future, this type of procedure should be simplified and rationalised for decentralised agencies.

On the basis of the financial analysis, the Parliament is of the following opinion:

- Fundamental considerations: given the constantly increasing number of agencies, the Parliament requests that, before the creation of a new agency, the Commission provide clear explanations regarding agency type, objectives of the agency, internal governance structure, products, services, clients and stakeholders of the agency, formal relationship with external actors, budget responsibility, financial planning, and personnel and staffing policy. It also requests that each agency be governed by a yearly performance agreement which should contain the main objectives for the coming year and that the performance of the agencies be regularly audited by the Court of Auditors (and extend the financial analysis of expenditure to also cover administrative efficiency and effectiveness). More generally, the Parliament takes the view that, in the case of agencies, which are continually overestimating their respective budget needs, technical abatement should be made on the basis of vacant posts in order to reduce the assigned revenue for the agencies and therefore also lower administrative costs of the EU. It recalls that it is a serious problem that a number of agencies is criticised for not following rules on public procurement, the Financial Regulation, the Staff Regulations etc., and consider that the principal reason for this is that most regulations and the Financial Regulation are designed for bigger institutions rather than for small agencies. Therefore, it is necessary to seek a rapid solution in order to enhance the effectiveness of the legislation by grouping the administrative functions of various agencies together or by establishing implementing rules which are better adapted to the agencies. The Parliament also insists that the Commission, when drafting the Preliminary Draft Budget, take into consideration the results of budget implementation by the individual agencies in former years and revise the budget requested by the particular agency accordingly. If the Commission does not undertake this revision, the Parliament invites the competent committee to revise, itself, the budget in question to a realistic level. At the same time, the Parliament recalls that it expects the Commission to present every five years a study on the added value of every existing agency and to not hesitate to close an agency if it is deemed useless by the analysis. Such an assessment is expected as soon as possible given that this type of assessment has yet to be presented. Furthermore, the Parliament insists that recommendations of the Court of Auditors should be promptly implemented and the level of subsidies paid to the agencies should be aligned with their real cash requirements.
- Presentation of reporting data: noting that there is no standard approach among the agencies with regard to the presentation of information, the Parliament recalls that it already invited the directors of the agencies to accompany their annual activity report with a declaration of assurance concerning the legality and regularity of operations, similar to the declarations signed by the Directors General of the Commission. It therefore asks the Commission to amend its standing instructions to the agencies and to produce a harmonised model for presenting information, including: i) an annual report intended for a general readership on the body's operations, work and achievements; ii) financial statements and a report on implementation of the agency's budget; iii) an activity report of the Directors of the agency (as requested by the Parliament since 2005); iv) a declaration of assurance signed by the body's director.
- General findings by the Court of Auditors: the Parliament refers to certain recurring findings by the Court, including the disbursement of subsidies paid by the Commission (not sufficiently justified estimates of the agencies' cash requirements), the non implementation of the ABAC accounting system by some agencies or the accrued charges for untaken leave which are accounted for by some agencies. It calls for rapid measures in these areas as well as improvements to the internal audit procedures of the agencies. The Parliament also calls on the agencies to consider an inter-agency disciplinary board, as some individual agencies have difficulty in setting up their own disciplinary boards due to their size.
- Draft inter-institutional agreement: the Parliament recalls the Commission's draft Interinstitutional agreement on the operating framework for the European regulatory agencies (see [ACI/2005/2035](#)), which was intended to create a framework for the creation, structure, operation, evaluation and control of the European regulatory agencies, and awaits its adoption as soon as possible. It particularly welcomes the Commission's commitment to bring forward a Communication on the future of the regulatory agencies during the course of 2008.

2) Specific points concerning the European Aviation Safety Agency: the Parliament notes that the Agency carried over some 40% of commitments for administrative expenditure and more than 50% for operational expenditure. It also notes that more than 15% of appropriations were cancelled. However, it acknowledges the Agency's justification that the high level of carry-overs was due to the significant outsourcing of its activities to the Member States' National Aviation Authorities.

The Parliament is also concerned by the fact that the Agency's certification activities cost approximately EUR 48 million whereas revenue only amounted to EUR 35 million. Therefore, the current fees scheme must be reviewed in order to ensure that the Agency's costs for certification activities are covered. It is also necessary to review the Agency's fee structure so as to bring costs and revenue for certification activities into balance. In addition, the Parliament notes the statement in the Agency's Activity Report that the uncertainty affecting the operating budget for the Agency has continued, due chiefly to low income from fees.

At the same time, the Parliament notes that the Agency's short-term receivables amounted to EUR 14 million, of which 20% were more than three months old. The Agency must, therefore, implement an effective claim management system.

2006 discharge: European Aviation Safety Agency (EASA)

PURPOSE: to grant discharge to the European Aviation Safety Agency for the financial year 2006.

LEGISLATIVE ACT: Decision 2009/223/EC of the European Parliament on the discharge for the implementation of the budget of the European Aviation Safety Agency for the financial year 2006.

CONTENT: with the present decision, the European Parliament grants discharge to the Executive Director of the European Aviation Safety Agency for the implementation of the Agency's budget for the financial year 2006.

This decision is in line with the European Parliament's resolution adopted on 22 April 2008 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 22/04/2008).