












Procedure file

Basic information		
DEC - Discharge procedure	2014/2106(DEC)	Procedure completed
2013 discharge 2013: European Aviation Safety Agency (EASA)		
Subject 8.70.03.03 2013 discharge		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Budgetary Control	 CZARNECKI Ryszard	09/10/2014
		Shadow rapporteur	
		 ZDECHOVSKÝ Tomáš	
		 VAUGHAN Derek	
		 ALI Nedzhmi	
		 JÁVOR Benedek	
		 VALLI Marco	
	Committee for opinion	Rapporteur for opinion	Appointed
	 Transport and Tourism		11/12/2014
		 RIQUET Dominique	
European Commission	Commission DG Budget	Commissioner GEORGIEVA Kristalina	

Key events			
29/07/2014	Non-legislative basic document published	COM(2014)0510	Summary
20/10/2014	Committee referral announced in Parliament		
23/03/2015	Vote in committee		
30/03/2015	Committee report tabled for plenary	A8-0074/2015	Summary
28/04/2015	Debate in Parliament		
29/04/2015	Results of vote in Parliament		
29/04/2015	Decision by Parliament	T8-0136/2015	Summary
29/04/2015	End of procedure in Parliament		

30/09/2015	Final act published in Official Journal		
------------	---	--	--

Technical information

Procedure reference	2014/2106(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/01631

Documentation gateway

Court of Auditors: opinion, report		N8-0076/2014 OJ C 442 10.12.2014, p. 0093	01/07/2014	CofA	Summary
Non-legislative basic document		COM(2014)0510	30/07/2014	EC	Summary
Committee draft report		PE539.702	28/01/2015	EP	
Document attached to the procedure		05304/2015	30/01/2015	CSL	Summary
Committee opinion	TRAN	PE544.384	26/02/2015	EP	
Amendments tabled in committee		PE539.756	05/03/2015	EP	
Committee report tabled for plenary, single reading		A8-0074/2015	30/03/2015	EP	Summary
Text adopted by Parliament, single reading		T8-0136/2015	29/04/2015	EP	Summary

Final act

Budget 2015/1643
[OJ L 255 30.09.2015, p. 0190](#) Summary

2013 discharge 2013: European Aviation Safety Agency (EASA)

PURPOSE: presentation of the EU Court of Auditors report on the annual accounts of the European Aviation Safety Agency for the year 2013, 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 Aviation Safety Agency (EASA).

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 2013;
- 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 2013 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 2013 are legal and regular in all material respects.

The Court's observations:

- **legality and regularity of transactions:** in 2012 EASA selected 14 National Aviation Authorities and 10 Qualified Entities through procurement procedures to outsource part of its certification activities. Expenditure for such outsourced certification activities amounted to some EUR 22 million in 2013. The Court considered that the transparency of outsourcing could be improved. This is also

- the case for the allocation of the many other low-value contracts to bidders;
- budgetary management: although the Agency reduced further the overall level of carry-overs of committed appropriations from EUR 10.1 million (11%) in 2012 to EUR 7.2 million (8%) in 2013, carry-overs of committed appropriations were high at EUR 3.4 million (42%). Although this is partly justified by the multiannual nature of the Agency's operations and the carry-overs included in the Courts sample were duly justified, such a high level is at odds with the budgetary principle of annuality;
- headquarters: the Agency became operational in 2004 and has, to date, worked on the basis of correspondence and exchanges with the host Member State. However, a comprehensive headquarters agreement between the Agency and the Member State has not been signed. Such an agreement would promote transparency in respect of the conditions under which the Agency and its staff operate.

The Agency's replies:

- legality and regularity of transactions: in the frame of a better control of the certification activities outsourced to National Aviation Authorities and potentially qualified entities, the certification directorate together with the finance directorate will implement in 2014 a simple means to record that the selection of the provider for any given outsourcing purchase order has been made and optimised in accordance with certain criteria;
- budgetary management: the Agency highlighted that great efforts have already been made to reduce the level of operational expenditure carryovers and this is already reflected in the significant decrease compared to the previous year (EUR 6.2 million in 2012 compared to EUR 3.4 million in 2013);
- headquarters: having already experienced some unclarity concerning relations with the host state due to the absence of a proper seat agreement, the EASA will work closely with the EU Council, Parliament and Commission, to establish a proper headquarters agreement. Such agreement should ensure that the host State takes all necessary measures to facilitate the unimpeded exercise by the Agency of its legal mandate.

Lastly, the Court of Auditors report contains a summary of the Agency's activities in 2013. This is focused on the following:

Budget: EUR 151.2 million of which the Union subsidy is 23.1%.

Activities:

- opinions and rulemaking decisions in particular in the area of certification and compliance;
- modifications of Appendices to a Working Arrangement;
- notices of proposed amendments;
- international cooperation including rulemaking cooperation arrangements with EASA bilateral partners;
- bilateral aviation safety agreements;
- certification decisions;
- standardisation inspections in the field of airworthiness, operations, flight crew licensing.

2013 discharge 2013: European Aviation Safety Agency (EASA)

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2013, as part of the 2013 discharge procedure.

Analysis of the accounts of the European Aviation Safety Agency (EASA).

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2013 as prepared on the basis of the information presented by the institutions, organisations and bodies of the EU, in accordance with Article 129 (2) of the Financial Regulation applicable to the EU's General Budget, including the European Aviation Safety Agency (EASA).

The document contains the figures on which the discharge procedure is based.

Discharge procedure of the EU agencies: the EU Budget finances a wide range of policies and programmes throughout the EU. In accordance with the priorities set by the European Parliament and the Council in the multi-annual financial framework (MFF), the European Commission carries out specific programmes, activities and projects in the field with the technical support of some specialised agencies.

The consolidated annual accounts of the EU provide information on the activities of the institutions, agencies and other bodies of the EU from a budgetary and accrual accounting perspective.

The consolidated reports on the implementation of the general budget of the EU include the budget implementation of all Institutions. Agencies do not have a separate budget inside the EU budget; and they are partially financed by a Commission budget subsidy.

Each agency is subject to its own discharge procedure.

EASA: in 2013, the tasks and budget of this agency were as follows:

- description of EASA's tasks: EASA, which is located in Cologne, was established by [Regulation \(EC\) No 1592/2002 of the European Parliament and of the Council](#) and its role is to maintain a high uniform level of civil aviation safety in Europe and to ensure the proper development of civil aviation safety. It shall issue opinions and recommendations to the Commission and take decisions in this area;
- EASA's budget for the 2013 financial year: the Agency's budget for 2013, as presented in the Commission document on the consolidated annual accounts of the European Union, gives the following figures:

§ Commitment appropriations :

- committed : EUR 169 million;
- paid : EUR 135 million;
- carried-over : EUR 32 million.

§ Payment appropriations :

- committed : EUR 180 million;
- paid : EUR 125 million;
- carried-over : EUR 52 million.

Please refer also to the [final accounts of the EASA](#).

2013 discharge 2013: European Aviation Safety Agency (EASA)

The Committee on Budgetary Control adopted the report by Ryszard CZARNECKI (ECR, PL) on discharge in respect of the implementation of the budget of the European Aviation Safety Agency (EASA) for the financial year 2013.

The committee recommended that the European Parliament grant the Executive Director of the Agency discharge in respect of the implementation of the Agency's budget for the financial year 2013.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Agency for the financial year 2013 are reliable, and that the underlying transactions are legal and regular, Members called on the Parliament to approve the closure of the Agency's accounts. They made, however, a number of recommendations that needed to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the [draft resolution on performance, financial management and control of EU agencies](#).

- Agency's financial statements: Members noted that the final budget of the Agency for the financial year 2013 was EUR 167 023 535, representing an increase of 5.15% compared to 2012. The overall contribution of the Union to the Agency's budget for 2013 amounted to EUR 40 518 135.
- Commitments and carry-overs: Members noted 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. They were concerned that although the general level of carry-overs had reduced, it remained high for operational expenditure, amounting to 42 %. They stressed that although the multiannual nature of the Agency's operations partly justified the carry-overs, such a high level was at odds with the budgetary principle of annuality.

Members also made a series of observations on procurement and recruitment procedures, internal controls and internal audits and the prevention and management of conflicts of interest.

Regarding the legality and regularity of transactions, the committee noted 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. However, the transparency of outsourcing should be improved through the improved documentation of the allocation processes, including assessments made on the basis of the criteria set in the guidelines.

On the issue of conflicts of interest, Members observed with concern that this issue was extremely relevant with regards to the members of the panel of experts who are called to test and authorise the products. They expressed deep concern about the two revolving door cases identified by the Agency in 2013 and recommends that the Agency further strengthen its independence policy, especially in publishing the CVs and declarations of interests of the panel of experts by the end of September 2015. They called upon the Agency to adopt comprehensive policies for the management of situations where conflicts of interests arise, such as the rearrangement of the public official's duties or the resignation of the public official from their office.

Lastly, Members noted that since 2004, when the Agency became operational, it had been working on the basis of correspondence and exchanges with the host Member State but that a comprehensive headquarters agreement had not yet been signed with the host Member State. Such an agreement would promote transparency in respect of the conditions under which the Agency and its staff operated.

2013 discharge 2013: European Aviation Safety Agency (EASA)

The European Parliament adopted by 553 votes to 105, with 30 abstentions, a decision to grant discharge to the Executive Director of the European Aviation Safety Agency (EASA) for the financial year 2013. The vote on the discharge decision approved the closure of the accounts (in accordance with Annex VI, Article 5(1) of the Rules of Procedure of the European Parliament).

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Agency for the financial year 2013 are reliable, and that the underlying transactions are legal and regular, Parliament adopted by 579 votes to 74, with 38 abstentions, a resolution containing a number of recommendations that form an integral part of the discharge decision and as well as the general recommendations that appear in [the resolution on performance, financial management and control of EU agencies](#):

- Agency's financial statements: Parliament noted that the final budget of the Agency for the financial year 2013 was EUR 167 023 535, representing an increase of 5.15% compared to 2012. The overall contribution of the Union to the Agency's budget for 2013 amounted to EUR 40 518 135.
- Commitments and carry-overs: Parliament noted 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. It was concerned that although the general level of carry-overs had reduced, it remained high for operational expenditure, amounting to 42%. It stressed that although the multiannual nature of the Agency's operations partly justified the carry-overs, such a high level was at odds with the budgetary principle of annuality.

Parliament also made a series of observations on procurement and recruitment procedures, internal controls and internal audits and the prevention and management of conflicts of interest.

Regarding the legality and regularity of transactions, Parliament noted 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. However, the transparency of outsourcing should be improved through the improved documentation of the allocation processes, including assessments made on the basis of the criteria set in the guidelines.

Prevention of conflicts of interest: Parliament observed with concern that this issue was extremely relevant with regards to the members of the panel of experts who are called to test and authorise the products. It expressed deep concern about the two revolving door cases identified by the Agency in 2013 and recommended that the Agency further strengthen its independence policy, especially in publishing the CVs and declarations of interests of the panel of experts by the end of September 2015. It called upon the Agency to adopt comprehensive policies for the management of situations where conflicts of interests arise, such as the rearrangement of the public official's duties or the resignation of the public official from their office.

Parliament noted that since 2004, when the Agency became operational, it had been working on the basis of correspondence and exchanges with the host Member State but that a comprehensive headquarters agreement had not yet been signed with the host Member State. Such an agreement would promote transparency in respect of the conditions under which the Agency and its staff operated.

Lastly, Parliament highlighted the Agency's vital role in ensuring the highest possible level of aviation safety throughout Europe. It called for the Agency to be given the necessary financial, material and human resources to perform its tasks successfully.

2013 discharge 2013: European Aviation Safety Agency (EASA)

PURPOSE: to grant discharge to the European Aviation Safety Agency in respect of the Agency's budget for the financial year 2013.

NON LEGISLATIVE ACT: Decision (EU) 2015/1643 of the European Parliament on discharge in respect of the implementation of the budget of the European Aviation Safety Agency for the financial year 2013.

CONTENT: with the present decision, the European Parliament grants discharge to the Executive Director of the European Aviation Safety Agency for the implementation of its budget for the financial year 2013.

This decision is in line with the European Parliament's resolution adopted on 29 April 2015 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 29 April 2015).

Amongst Parliament's main recommendations, it calls on the Agency to improve the transparency of outsourcing through the improved documentation of the allocation processes of certification tasks, since this issue involved reservations on the legality and regularity of its operations, as expressed by the Court of Auditors.