2006 discharge: European Environment Agency EEA

2007/2051(DEC) - 15/11/2007

PURPOSE: to present the report of the Court of Auditors on the 2006 accounts of the European Environment Agency.

CONTENT: the report notes that the appropriations entered in the Agency's budget for the financial year in question amount to **EUR 37.114 million**, of which EUR 33.677 million was committed and EUR 27.352 million was paid. Out of this general amount, EUR 9.725 million was carried over to 2007 and EUR 36 000 was cancelled.

The Court notes that the accounts for the financial year are reliable in all material aspects and that the underlying transactions of the Agency's accounts are, on the whole, legal and regular.

Analysis of the accounts by the Court: in terms of the implementation of the budget for the financial year 2006, the Court notes that the Agency carried over more than 30% of commitment appropriations. The figure was above 50% for operational costs (Title III of the Agency's budget and assigned revenues). The Court considers that certain carry-overs were not justified: over the last two months of 2006, the Agency committed a total of EUR 1.3 million and the corresponding payment appropriations were carried over to 2007. The audit of a sample of these carry-overs (value = EUR 500 000) showed that they all related to activities to be undertaken in 2007. The budgetary principle of **annuality** was therefore not strictly applied. In addition, the Court notes that the authorising officer (subdelegated) of the Agency carried out ex ante controls and managed the rights of access to the computerised budgetary accounting system, contrary to the principle of the **separation of duties**.

The Agency's response: the Agency considers the criticisms, point by point, and notes that the increase in the rate of carry-overs to the financial year 2007 is mainly the result of exceptional circumstances that occurred in 2006, delaying the interim payments to the Agency's topic centres. The lateness of committed appropriations was due to the obligation to establish license agreements before 1 January and to ensure continuity while respecting the deadlines required to negotiate the costs and timetable of the new activities. In this context, the Agency notes that it will continue its efforts to reduce the rate of carry-overs.

Measures have also been taken to limit the risk linked to attributing certain tasks to the subdelegated authorising officer. The competences for sensitive posts were also amended in mid 2007.