

2006 discharge: European Network and Information Security Agency ENISA

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Based on the observations contained in the revenue and expenditure account and the balance sheet of the European Network and Information Security Agency (ENISA) for the financial year 2006, as well as on the Court of Auditor's report and the Agency's replies to the Court's observations, the Council recommends the Parliament to provide the discharge on the implementation of the 2006 budget to the Director of the Agency.

In doing so, the Council confirms that EUR 1.3 million (62%) of the appropriations carried over from 2005 to 2006 (EUR 2.1 million) was used, that the appropriations carried over from 2006 to 2007 amount to EUR 0.9 million and that a total of EUR 0.7 million was cancelled.

Recalling that the Court of Auditors was able to obtain reasonable assurance that the Agency's annual accounts were, in all material aspects, reliable, the Council believes that there is a certain number of observations that must be taken into consideration when providing the discharge on the implementation of the 2006 budget, particularly regarding the following points:

- **Agency management:** the Council underlines that certain factors, namely a low utilisation rate, particularly for payment appropriations, a concentration of transactions in the last quarter of the year and an exceptionally high number of transfers, make it necessary to improve the financial and budgetary management of the Agency, and it calls upon the Agency to rectify this situation as soon as possible;
- **internal control:** regarding the Court's observations on the inadequacies of the accounting software used by the Agency, the Council encourages the Court to act on the matter in the short-term and to apply, as planned, the accounting software of the Commission. The Council also calls on the Agency to detail in writing all the internal control procedures required by the Financial Regulation, to develop written instructions for archiving supporting documentation of transactions and to create a financial irregularities panel in order to resolve the inadequacies noted by the Court.