2006 discharge: European Maritime Safety Agency EMSA

2007/2057(DEC) - 22/04/2008 - Text adopted by Parliament, single reading

The European Parliament adopted, by 608 votes in favour, 36 against and 25 abstentions, a Decision to grant the Director of the European Maritime 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 613 votes in favour, 36 against and 25 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 Maritime Safety Agency: the Parliament expresses concern at the finding by the Court of Auditors that more than 43% of payment appropriations had to be cancelled at the end of the financial year and that there was a concentration of transactions during the last quarter of the year, such that the budgetary principle of specification was not strictly observed.

It also expresses concern at the following:

- a high number of budgetary transfers;
- inadequate planning of staff recruitment;
- incorrect budget presentation.

The Parliament also regrets the low utilisation rate for payment appropriations for anti-polluting measures at sea (67.7 %), despite Parliament's continuing support for these measures in the process leading to the adoption of the budget. It recalls that, in view of the impossibility of providing an anti-pollution vessel to cover the Atlantic Arc area in 2006 and 2007, comprising the Galician coasts and the Bay of Biscay, it urges the Commission and the Agency to step up their efforts to achieve this objective in 2008.

Furthermore, the Parliament calls on the Agency to take urgent action to remedy the Court's findings in several areas (the Agency's inventory system is weak, its records do not allow all goods to be physically traced, an accumulated surplus of EUR 7.18 million, and the recurring problem of recruiting staff). In this context, it welcomes the Agency's request to be the pilot project for the Commission's new generation of ABAC financial systems (Accrual Based Accounting).

In addition, the Parliament believes that further investigations should be carried out into the feasibility of pooling systems and services between agencies, in order to achieve economies of scale and to help new agencies in the start-up phase.

Lastly, the Parliament notes the statement in the Agency's annual report that the reimbursement of travel expenses of the growing number of participants at its meetings is a labour-intensive process. It therefore calls on the Court to look at the general issue of the reimbursement of travel expenses in its next reports on the agencies.