2007 discharge: European GNSS Supervisory Authority GSA

2008/2273(DEC) - 16/03/2009

The Committee on Budgetary Control adopted the report drawn up by Christofer FJELLNER (EPP-ED, SE) on discharge to be granted to the European GNSS Supervisory Authority, calling on the European Parliament to grant the Executive Director of the Authority discharge in respect of the implementation of its budget for the financial year 2007.

Noting that the European Court of Auditors (ECA) was not in a position to form an opinion with regard to the reliability of the Authority's annual accounts for 2007, pointing out that the entire architecture of the Galileo project was being revised in 2007 and that the Authority's accounts were prepared in a fragile legal environment, MEPs approve the closure of the accounts of the European GNSS Supervisory Authority.

However, they make a number of recommendations as part of the decision on discharge. In addition to the general recommendations appearing in the draft resolution on financial management and control of EU agencies (see 2008/2207(INI)), MEPs make the following observations:

- **Incomplete statement of assurance**: MEPs regret that the ECA was not in a position to form an opinion with regard to the reliability of the Authority's annual accounts for 2007. Noting the ECA's explanation that it carried out its audit when the Galileo project and the role of the Authority were under revision and the new legal framework still incomplete, MEPs note that, in the meantime, Regulation (EC) No 683/2008 entered into force, under which the Commission is the manager of the Galileo and EGNOS programmes and the Community the owner of all tangible and intangible assets created or developed under the programmes. They also note that the Authority will establish its annual accounts for 2008 under the new legal framework;
- **Budget implementation**: MEPs regret the low consumption level of commitment and payment appropriations for operational activities of the Authority, the absence of a clear link between the Authority's work programme and the budget, transfers neither justified nor documented, repeated late booking of recovery orders and an inconsistent presentation of budget implementation. They therefore call on the Authority to report on the action taken following the ECA's observations with regard to budget implementation, and on the results achieved, in its report on budgetary and financial management for 2008;
- **Uncertainties with regard to Galileo and EGNOS project assets**: MEPs observe the ECA's criticism, with regard to Galileo project assets, that the Authority was unable to provide sufficient information in its accounts, as well as with regard to EGNOS project assets. Noting the Authority’s replies regarding its assets, MEPs consider that, under Regulation (EC) No 683/2008, the Community is the owner of the Galileo and EGNOS project assets. They regret however that process of transferring these assets from the Authority to the Commission only started in December 2008. They therefore call on the Authority to do its utmost in order to clarify the situation with regard to Galileo and EGNOS project assets in its annual accounts for 2008;
- **The Authority's role in the winding-up of the Galileo Joint Undertaking** (GJU): MEPs recall that the Authority took over all activities and assets from the Galileo Joint Undertaking (GJU) with effect from 1 January 2007. They are therefore concerned by the ECA's critical remarks as to how certain assets were transferred from the GJU to the Authority and recorded in the Authority's accounts. According to MEPs, the winding-up of the GJU, including the role played by the Authority, must be thoroughly examined by the discharge authority, on the basis of the ECA's audit results. MEPs therefore call on the Court to put particular emphasis on the takeover of the GJU's

activities and assets by the Authority and to publish its audit results in a special report before the 2009 summer break.