2007 discharge: European GNSS Supervisory Authority GSA

2008/2273(DEC) - 23/01/2009

Based on the observations contained in the revenue and expenditure account and the balance sheet of the European Global Navigation Satellite System Supervisory Authority (GNSS Authority) for the financial year 2007, as well as on the Court of Auditor's report and the Authority's replies to the Court's observations, the Council recommends that the Parliament grant the Director of the Authority discharge in respect of the implementation of the budget for the financial year 2007.

In doing so, the Council confirms that EUR 810 000 (64%) of the appropriations carried over from 2006 to 2007 (EUR 1.28 million) were used, that the appropriations carried over from 2007 to 2008 amount to EUR 87.32 million and that EUR 1.18 million was cancelled.

Recalling that the Court was unable to publish a statement of assurance concerning the reliability of the Authority's accounts, the Council considers that the implementation of the 2007 budget calls for a certain number of observations to be taken into account when granting discharge. The Council is fully aware that, in 2007, the Authority operated in a very fragile legal environment, without a clear role and framework, due to the fact that the approach of a Galileo private-public partnership was abandoned and that the European Parliament and the Council decided to fund the project from the EU budget, thus changing completely the architecture of the project. However, the Council notes with concern the Court's findings that, at the end of 2007, the process of ownership transfer of the Galileo project's assets from ESA and EGNOS to the Authority was far from being complete and that no inventory of the project assets had been drawn, thus making it impossible to have a thorough overview of them and a precise indication of their value. The Council takes note that the solution to the problem lies in the change in the governance of the project, so that the European Community will become the owner of all the assets of the Galileo project and the EU Commission will be the programming manager acting as an owner on behalf of the Community.

Therefore, in future transfers, **the assets will be directly transferred from ESA and EGNOS to the Commission**. In this context, the Council invites the Authority and the Commission to do their utmost to ensure the transfer of all assets of the Galileo project to the Commission as soon as possible, with due respect of all the financial provisions and procedures in force, and it expects substantial improvements of the Authority's accounts for 2009.

In addition, the Council invites the Authority to adopt clear rules for recording revenue under an accruals accounting system, in particular regarding the funds coming from the Galileo Joint Undertaking, and to adapt its budgetary techniques in order to improve the quality of its financial management.

Furthermore, the Council expresses deep concern regarding the low level of consumption of commitment and payment appropriations for operational activities and the weaknesses in the management of the budget such as an absence of a clear link between the Authority's work programme and the budget, transfers of appropriations neither adequately justified nor documented, late booking of recovery orders and inconsistent presentation of the budget's implementation. The Council calls on the Authority to do its utmost to remedy such weaknesses without further delay, to fully comply with the regulatory provisions in force, in particular regarding transfers, and to improve its performance in respect of its budget reporting.