

2008 discharge: European Maritime Safety Agency EMSA

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PURPOSE: to present the report of the Court of Auditors on the 2008 accounts of the European Maritime Safety Agency (EMSA).

CONTENT: in the Court's opinion, the Agency's Annual Accounts present fairly, in all material respects, its financial position as of 31 December 2008 and the results of its operations and its cash flows for the year then ended. The transactions underlying the annual accounts of the Agency are, in all material respects, legal and regular.

The Court of Auditor's report includes a detailed section on the European Maritime Safety Agency's expenditure and an analysis of the expenditure, as well as the Agency's replies.

- **The Court's analysis of the accounts:** in its report, the Court makes a number of observations, particularly with regard to the budgetary and financial management of the budget. The procedures for drawing up the budget were not sufficiently rigorous and led to a significant number of budgetary transfers (more than EUR 2 million of appropriations for personnel expenditure were transferred to administrative expenditure budget lines between June and November 2008). This made it possible to increase the amount of appropriations carried forward to 2009 and reduced the amount to be repaid to the Commission. Moreover, the high level of cancellation of payment appropriations for operational activities, EUR 7.5 million, indicates weaknesses in their planning and their monitoring. As in 2007, the Court notes that legal commitments were entered into before the corresponding budgetary commitments. Moreover, the Agency did not prepare a multi-annual work programme setting performance indicators as required by the Financial Regulation. Its annual work programme is not related to its commitment budget and is largely based on payment forecasts. Budget modifications are made without simultaneous revisions of the work programme even when these have a significant impact.
- **The Agency's replies:** the Agency takes note of the observation of the Court and will continue its effort to improve its planning and monitoring and consequently to reduce the number of budgetary modifications. It notes that the total of the budgetary transfers in 2008 did not exceed the 10 % threshold requiring an Administrative Board decision. Following an Internal Audit of the Agency's commitment and payment procedures, additional measures to reinforce the control over these procedures have been taken. Moreover, the Agency initiated the implementation of ABAC Contracts. Lastly, the Agency adds that for 2009 the work programme includes specific reference to both commitment and payment appropriations forecasted for the different activities. Moreover, the Agency is currently developing Key Performance Indicators for its activities which will be included -at a later stage- in the annual work programme.