2008 discharge: European GNSS Supervisory Authority GSA

2009/2129(DEC) - 08/10/2009

PURPOSE: to present the Court of Auditors report on the 2008 accounts of the European GNSS (Global Navigation Satellite System) Supervisory Authority.

CONTENT: in the Court's opinion, the Authority'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.

In spite of the entry into force on 25 July 2008 of Regulation (EC) No 683/2008 of the European Parliament and of the Council, no activities or assets had been transferred to the Commission by the end of 2008. The Authority has decided to present the results of its activities without taking into account the fact that the Authority's management of the Galileo and EGNOS programmes would be discontinued after the finalisation of the transfer of assets and funds to the Commission foreseen at the end of the first quarter of 2009.

In the Court's opinion, the transactions underlying the Authority's annual accounts for the financial year ended 31 December 2008 are, in all material respects, legal and regular. The Court draws attention to management issue within the Authority. The Court's opinion on the legality and regularity of the transactions underlying the Authority's annual accounts is not qualified in respect of this matter. Regulation (EC) No 683/2008 which implied that the Authority was no longer responsible for the management of the Galileo and EGNOS programmes. Despite this, the Commission transferred EUR 95 million to the Authority's bank account on 24 December 2008. No proper amending budget was established.

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

- **The Court's analysis of the accounts**: the Court makes an additional comment on the Authority's budgetary and financial management. The Court states that the very significant reduction of the Authority's budget adopted in 2008, from EUR 436.5 million in 2007 to the budget of EUR 22.7 million was linked to the entry into force of Regulation (EC) No 683/2008 of the European Parliament and of the Council on the further implementation of the European satellite navigation programmes (EGNOS and Galileo). According to this Regulation, the Commission is responsible for the management of the funds and the implementation of the European satellite navigation programmes (EGNOS and Galileo). No activities or assets had been transferred to the Commission by the end of 2008 and the new split of responsibilities between the Commission and the Authority was not reflected in their respective annual accounts.As a consequence, the Authority's accounts show an amount of EUR 58.4 million as pre-financings received from the Commission. This amount should have been considered as a debt towards the Commission. Moreover, the accounts should not include EUR 55.6 million of payables to the European Space Agency which result from the European Communities contributions to the Galileo IOV and EGNOS programmes which are of the Commission's responsibility.
- **The Agency's replies**: the Authority has made several clarifications as regards the abovementioned criticisms on the issue of the transfer of responsibilities of Galileo, GNSS to the Commission. It confirms that the activities were transferred with effect on 1 January 2009, as requested by the Commission. The scope of assets to be transferred was endorsed by the Authority's Administrative

Board on 19 March 2009, but the modalities of the transfer could not be agreed with the Commission before the end of June. The GSA has requested the Commission, on 3 July 2009, to formally confirm its acceptance of the transfer of assets with effect on 31 July 2009. Therefore, the presentation of the accounts 2008 was affected by the above and could not reflect the changes that should take place after the balance sheet date.