2010 discharge: European Aviation Safety Agency (EASA)

2011/2224(DEC) - 06/09/2011 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Aviation Safety Agency, together with the Agency's reply.

CONTENT: in accordance with the tasks conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, the Court presents to the European Parliament and to the Council, in the context of the discharge procedure, a Statement of Assurance as to the reliability of the annual accounts of each institution, body or agency of the EU, and the legality and regularity of the transactions underlying them, on the basis of an independent external audit.

This audit concerned, amongst others, the annual accounts of the European Aviation Safety Agency (EVSA).

In the Court's opinion, the **Agency's Annual Accounts fairly present, in all material respects, its financial position as of 31 December 2010** and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation.

The Court also considers that the **transactions underlying the annual accounts** of the Agency for the financial year ended 31 December 2010 are, in all material respects, **legal and regular.**

The report confirms that the Agency's 2010 budget amounted to EUR 137 million and that the number of staff employed by the Agency at the end of the year was 578 (temporary and contractual agents.)

The report also makes a series of observations on the budgetary and financial management of the Agency, accompanied by the latter's response. The main observations may be summarised as follows:

The Court's observations:

- **budgetary and financial management**: the Court notes that the Agency manages certification tasks which are partly outsourced to national aviation authorities using erroneous methods of accounting;
- **procurement**: for two large procurement procedures, the evaluation method did not allow tenders offering the best financial bid to achieve the highest price score. This situation put at risk the transparency of the procurement process as well as the principle of sound financial management;
- **recruitment**: with regard to staff selection procedures, there was no evidence that thresholds for being invited to interview or put on the reserve list had been defined before the examination of the applications started. These practices put at risk the transparency of the recruitment procedures.

The Agency's response:

- the Agency recognises the need for continuous improvement and therefore intends to further develop a more appropriate methodology;
- the Agency states that it evaluates the financial offers as objectively as possible. The complexity of the price structures of the relevant markets made it very difficult to foresee all possible interactions among the price components. In practice no negative impact on the outcome is to be reported;

- the Agency supports the remark of the Court but reserves its right to decide on the reasonable number of candidates to be invited according to their rank of merit.

Lastly, the Court of Auditors' report contains a **summary of the Agency's activities** in 2010. This is focused on the following:

- opinion on draft legislation soon to be adopted;
- decisions related to certification specifications, and acceptable means of compliance;
- additional deliverables in 2010 (leading to Rules in the forthcoming years);
- international cooperation: particularly 8 Working Arrangements with CAAC (China), and further arrangements with Russia, and Japan;
- adoption of certification decisions (airworthiness directives, alternative methods of compliance, European technical standard order authorisation etc.);
- assistance on aircraft flight manuals, approvals of flight conditions; approvals of design organisations);
- standardisation inspections.