2010 discharge: European GNSS Agency (GSA)

2011/2233(DEC) - 08/02/2012

Having examined the revenue and expenditure accounts for the financial year 2010 and the balance sheet at 31 December 2010 of the European GNSS Agency, as well as the Court of Auditors' report on the annual accounts of the Agency for the financial year 2010, accompanied by the Agency's replies to the Court's observations, the Council recommends the European Parliament to give a discharge to the Executive Director of the Agency in respect of the implementation of the budget for the financial year 2010.

However, the Council considers that observations made in the Court of Auditor's report call for a certain number of remarks:

- the Council welcomes the Court's opinion that, in all material respects, the Agency's annual accounts fairly present the financial position as at 31 December 2010 and the results of operations and cash flows for the year then ended, in accordance with the provisions of the Agency's Financial Regulation, and that the underlying transactions for that financial year are legal and regular;
- it **regrets the Court's qualified opinion as regards tangible fixed assets related to the Galileo programme** which were purchased by the Agency and have been recorded as research expenditure, but should have instead been classified as assets held for transfer. It is concerned about the resulting understatement of the Agency's assets and of its economic outturn account for a considerable amount. It urges the Agency to remedy this understatement without delay, and to establish a correct classification of these assets. In addition, it asks the Agency to **urgently determine the status of the amount held by the Agency in respect of technical support from the European Space Agency**;
- the Council notes with concern the weaknesses identified by the Court in the Agency's grant procedures. It calls on the Agency to clearly distinguish between selection and award criteria in its evaluations, and to systematically assess the applicants' financial capacity;
- the Council regrets that the Agency did not detect errors in cost claims submitted by beneficiaries of certain grant agreements. It stresses the importance of verifying the compliance with existing rules for the calculation of costs;
- furthermore, the Council is concerned about **delays in the implementation of grants managed by the Agency**. It insists on a careful evaluation of the related activities before deciding on any amendments to existing grant contracts;
- lastly, it regrets that the Agency has again put at risk the **transparency of recruitment procedures** by not determining thresholds to be met in order to be invited to written tests and interviews or for inclusion on the list of suitable candidates.