2010 discharge: European GNSS Agency (GSA)

2011/2233(DEC) - 17/04/2012 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Monica Luisa MACOVEI (EPP, RO) on discharge to be granted to the Executive Director of the European GNSS Agency discharge in respect of the implementation of the Agency's budget for the financial year 2010.

Noting the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Agency for the financial year 2009 are reliable and that the underlying transactions are legal and regular, Members approve the closure of the Agency's accounts. However, they make a number of recommendations that need to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on performance, financial management and control of EU agencies:

- **Reliability of the accounts**: Members note that, in keeping with the accounting practice of the Galileo programme, components in the amount of EUR 4.4 million and that these assets have been recorded as **research expenditure** instead of being classified as assets held for transfer by the Agency to the Commission. They note that, in the report sent to Parliament, the Agency explained why these components were dealt with in its accounts;
- **Grant procedures**: Members call on the Agency to rectify the deficiencies identified by the Court of Auditors in the evaluation process as regards the FP7/Galileo/Second Call grant procedures which has a
- budget of EUR 26 million. They acknowledge in particular the Court of Auditors' observations according to which the criteria for assessing the applicants' financial capacity were not defined and although the status of the applicant determined the maximum reimbursement rate, such status was not verified by the Agency. They urge the Agency to remedy the weaknesses found by the Court of Auditors on two grant agreements within the Sixth Research Framework Programme (FP6)/ Third Call;
- **Consistency of the Annual Work Programme(AWP) and the AAR**: Members note that the Agency's AAR does not necessarily mirror its AWP and that the objectives of its AWP are rather vague and therefore is quite difficult to assess and check whether they have been fulfilled. They urge the Agency, therefore, to improve its AWP in order to allow the discharge authority to better evaluate the efficiency of the Agency;
- **Humans resources**: Members urge the Agency to improve the selection procedures in order not to jeopardise the transparency of recruitment; acknowledges the Court of Auditors' observations according to which in the staff selection procedures audited, threshold scores were not determined for admission to written tests and interviews or for inclusion in the list of suitable candidates. The Agency launched 16 recruitment processes and reached a total headcount of 40 by the end of 2010;
- **Internal audit**: lastly, Member note that at the end of 2010 there were no critical recommendations open by the Internal Audit Service.