# 2010 discharge: European GNSS Agency (GSA)

2011/2233(DEC) - 10/05/2012 - Text adopted by Parliament, single reading

The European Parliament adopted a decision to grant discharge to the Executive Director of the European GNSS Agency in respect of the implementation of the Agency's budget for the financial year 2010. The decision to grant the discharge also closes the accounts for the Agency for that year.

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, Parliament adopted a resolution containing 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 resolution on performance, financial management and control of EU agencies:

- **Reliability of the accounts**: Parliament notes 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. It notes that, in the report sent to Parliament, the Agency explained why these components were dealt with in its accounts;

- **Budget and financial management**: Parliament notes that the budget execution rate of the Agency reached 97 % for expenditure financed by the Union operation subsidy and 89 % for the operational activities financed from earmarked revenue. It is concerned that under Title III the Agency's execution rate in terms of payments was only of 60 % compared to 97 % in 2009;

- **Grant procedures**: Parliament calls 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. It acknowledges 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. It urges 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**: Parliament notes 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. It urges the Agency, therefore, to improve its AWP in order to allow the discharge authority to better evaluate the efficiency of the Agency;
- **Human resources**: Parliament urges the Agency to improve the selection procedures in order not to jeopardise the transparency of recruitment. It 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, Parliament notes that at the end of 2010 there were no critical recommendations open by the Internal Audit Service.