2011 discharge: European Aviation Safety Agency (EASA)

2012/2194(DEC) - 05/09/2012 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2011, 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 (EASA).

In the Court's opinion, the **Agency's Annual Accounts fairly present, in all material respects, its financial position as of 31 December 2011** 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 2011 are, in all material respects, **legal and regular**.

The report confirms that the Agency's 2011 budget amounted to EUR 138.7 million and that the number of staff employed by the Agency at the end of the year was 574.

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:

Court's comments:

- transfer of appropriations: several transfers were made between Titles and budget lines which changed considerably the structure of the budget, was not put to the Agency's management board for approval. This situation is however at odds with the budgetary principle of specification;
- building issues: the Agency's current lease contract requires it to restore the rented premises at the end of the lease and to restore them to their original condition. A provision of EUR 1 million was made in the accounts on the basis of the Agency's estimate of dilapidation costs. However, the owner's estimate is EUR 4 million. The Agency needs to obtain an independent external estimate of dilapidation costs and reflect them in the accounts accordingly;
- recruitment: the Court identified further need to improve the transparency of staff selection procedures.

Agency's replies:

- the Agency stated that the surplus identified by the Court resulted mainly from events outside the Agency's control and could not have been foreseen at the budget planning stage. Following careful consideration by senior management, the available funds were reallocated to high priority projects in line with the budget transfer rules laid down in the Agency's financial regulation;

- the Agency continues its investigations in order to improve the current estimate of its future dilapidation cost. The amount of EUR 1 065 000 provisioned in the 2011 account was, however, the best estimate provided by the Agency's lawyers as of March 2012;
- to further improve the transparency of its staff selection procedure, the Agency will ensure that evidence is made available to confirm that questions for interviews and tests are set up before the screening of received applications. A new template for Vacancy Notice specifies the maximum number of candidates for the reserve list, the threshold score for being invited for interviews and for being put on the reserve list.

Lastly, the Court of Auditors' report contains a summary of the **Agency's activities in 2011**. This is focused on the following:

- opinions on a certain number of draft legislation;
- adoption of 15 rulemaking decisions;
- additional deliverables in 2011 (which leads to Rules in the forthcoming years): 20 Notice of Proposed Amendment (NPAs);
- international cooperation: 8 working agreements and 25 recommendations provided to International Civil Aviation Organization (ICAO) State Letters;
- entry into force of the EU-US Bilateral Aviation Safety Agreement and EU-Canada Bilateral Aviation Safety Agreement;
- adoption of certification decisions (type certificates, etc);
- standardisation inspections.