2011 discharge: European Environment Agency (EEA)

2012/2187(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 Environment 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 Environment Agency (EEA).

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 62.2 million and that the number of staff employed by the Agency at the end of the year was 214.

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 observations:

- conflicts of interest: payment was made to an international environmental organisation amounting to EUR 6 061 which was related to the participation of Agency staff in expeditions organised by this organisation which took place in February and May 2011. No procurement procedure had taken place and no contract was drawn up for these expeditions. Related additional travel costs borne by the Agency were EUR 11 625. The Executive Director was a member of the organisation's board of trustees until April 2011. This constitutes an apparent conflict of interest;
- recruitment: the Agency improved the transparency of recruitment procedures considerably over the years. However, the audit still found confusion between eligibility and selection criteria as regards the relevant years of professional experience.

Agency's replies:

- the Agency stated that the payment made was for food and accommodation for staff whilst on the research stations. On being informed in April 2011 of a potential perception of a conflict of interest by the European Court of Auditors, **the Executive Director immediately resigned from the board of trustees, to safeguard the agency and ensure that the final scientific outcomes would not be jeopardised**. In light of the discharge process for 2010, the Management Board and the EEA administration have strengthened the conflict of interest policy of the EEA to avoid any potential problems in the future;
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- as regards recruitment, the agency takes note of the Court's comments and has already initiated the process to implement the recommendations.

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

- production of articles, press releases, speeches, web articles;
- data sets;
- promotional material;
- corporate documents and reports;
- pan-European assessments;
- a conference on the state of the Environment report (SOER 2010).