2012 discharge: European GNSS Agency (GSA)

2013/2231(DEC) - 10/09/2013 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European GNSS Agency for the year 2012, 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 GNSS Agency.

In the Court's opinion, the European GNSS Agency**'s Annual Accounts fairly present, in all material respects, its financial position as of 31 December 2012** and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer.

The Court also considers that the **transactions underlying the annual accounts** of the Agency for the financial year ended 31 December 2012 are, in all material respects, **legal and regular.**

The report confirms that the Agency's 2012 budget amounted to EUR 20.8 million.

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:

The Court's observations:

- budgetary management: the Court notes that the overall level of committed appropriations was close to 100 % for all titles. However, carry-overs of committed appropriations were relatively high for administrative expenditure at EUR 1.7 million euro (38 %). This was partly due to events beyond the Agency's control, such as the relocation of its seat to Prague (EUR 0.4 million) and the setting-up of the Galileo Security Monitoring Centre (EUR 0.4 million);

- recruitment procedures: the Court identified weaknesses in the recruitment procedures.

The Agency's reply:

- carry-overs: the Agency indicates that the major part of the carry-overs is related to the set up of the Galileo Security Monitoring Centres in France and UK. As this is a complex project in terms of security, IT, logistics and legal support, the Agency has decided to advance as much as possible the project preparations in 2012. In that respect, the Administrative Board approved a significant transfer of credits in order to ensure that the necessary framework contracts are in place on time. Another significant part of the carry-overs is related to the relocation of the Agency's headquarters from Brussels to Prague in September 2012;

- recruitment: the Agency has revised the selection procedures.

Lastly, the Court of Auditors' report contains **a summary of the Agency's activities in 2012**. This is focused on the following:

- systems security (security accreditation of the systems and sites, Galileo system- specific security requirements, flight key cell activities) ;
- support for Public Regulated Service – PRS (Preparation of the PRS User Segment)
- preparation of Galileo Security Monitoring Centre – GSMC ;
- preparatory activities for EGNOS and Galileo exploitation ;
- market development actions focused on receiver manufacturers to foster Galileo penetration in consumer and professional markets ;
- research and development.