

2013 discharge 2013: European Aviation Safety Agency (EASA)

2014/2106(DEC) - 01/07/2014 - 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 year 2013, 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).

Statement of assurance: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the Agency, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2013;
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Court's opinion, the Agency's annual accounts present fairly, in all material respects, its financial position as at 31 December 2013 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.

Opinion on the legality and regularity of the transactions underlying the accounts: in the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2013 are legal and regular in all material respects.

The Court's observations:

- **legality and regularity of transactions:** in 2012 EASA selected 14 National Aviation Authorities and 10 'Qualified Entities' through procurement procedures to outsource part of its certification activities. Expenditure for such outsourced certification activities amounted to some EUR 22 million in 2013. The Court considered that the transparency of outsourcing could be improved. This is also the case for the allocation of the many other low-value contracts to bidders;
- **budgetary management:** although the Agency reduced further the overall level of carry-overs of committed appropriations from EUR 10.1 million (11%) in 2012 to EUR 7.2 million (8%) in 2013, carry-overs of committed appropriations were high at EUR 3.4 million (42%). Although this is partly justified by the multiannual nature of the Agency's operations and the carry-overs included in the Court's sample were duly justified, such a high level is at odds with the budgetary principle of annuality;
- **headquarters:** the Agency became operational in 2004 and has, to date, worked on the basis of correspondence and exchanges with the host Member State. However, a comprehensive

headquarters agreement between the Agency and the Member State has not been signed. Such an agreement would promote transparency in respect of the conditions under which the Agency and its staff operate.

The Agency's replies:

- **legality and regularity of transactions:** in the frame of a better control of the certification activities outsourced to National Aviation Authorities and potentially qualified entities, the certification directorate together with the finance directorate will implement in 2014 a simple means to record that the selection of the provider for any given outsourcing purchase order has been made and optimised in accordance with certain criteria;
- **budgetary management:** the Agency highlighted that great efforts have already been made to reduce the level of operational expenditure carryovers and this is already reflected in the significant decrease compared to the previous year (EUR 6.2 million in 2012 compared to EUR 3.4 million in 2013);
- **headquarters:** having already experienced some unclarities concerning relations with the host state due to the absence of a proper seat agreement, the EASA will work closely with the EU Council, Parliament and Commission, to establish a proper headquarters agreement. Such agreement should ensure that the host State takes all necessary measures to facilitate the unimpeded exercise by the Agency of its legal mandate.

Lastly, the Court of Auditors' report contains a summary of **the Agency's activities in 2013**. This is focused on the following:

Budget: EUR 151.2 million of which the Union subsidy is 23.1%.

Activities:

- opinions and rulemaking decisions in particular in the area of certification and compliance;
- modifications of Appendices to a Working Arrangement;
- notices of proposed amendments;
- international cooperation including rulemaking cooperation arrangements with EASA bilateral partners;
- bilateral aviation safety agreements;
- certification decisions;
- standardisation inspections in the field of airworthiness, operations, flight crew licensing.