

2013 discharge: European Environment Agency (EEA)

2014/2099(DEC) - 08/07/2014 - 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 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 Environment Agency (EEA).

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 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:

- **internal control:** in 2013, the Agency awarded grants under five grant programmes to consortia consisting of environmental institutions and bodies in Europe, UN organisations and national environment organisations. Total grant expenditure in 2013 was EUR 13.9 million, representing 31% of total operating expenditure. Following the Court's comment of last year, the EEA intensified its checks on the eligibility and accuracy of staff costs claimed under the grant programmes, as these represent the major part of costs. In particular, for a sample of beneficiaries, time sheets were obtained to check the salary costs claimed, but payslips have not been obtained. On-the-spot verifications of costs at beneficiary level are rare. Existing controls therefore provide only limited assurance on the eligibility and accuracy of the costs claimed by beneficiaries.

The Agency's replies:

- **internal control:** the Agency replied that it has taken note that efforts as regards intensified verification measures goes well beyond what is reflected in the preliminary observations. A new verification policy has been adopted. As regards the on-the-spot verifications, two verification missions have been performed. 18% of the ETCs' total staff costs at the level of the beneficiary.

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

Budget: EUR 41.7 million of which the Union subsidy is 100%.

Activities:

- production of press releases;
- data sets;
- indicators;
- promotional material;
- pan-European assessments;
- the state of the Environment report (SOER 2010).