2013 discharge: Euratom Supply Agency (ESA)

2014/2117(DEC) - 01/07/2014 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the Euratom Supply Agency (ESA) 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 ESA.

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:

- **reliability of accounts**: the notes to the Agency's 2013 annual accounts explain that all salaries and some additional costs for administrative services were paid directly from the Commission's budget. The salary costs are disclosed, but no details are provided on the costs for the administrative services. Therefore the extent to which the Agency is dependent upon the Commission is not fully visible;
- **internal controls**: there is insufficient documentation of the main elements of the Agency's internal controls, such as a risk management and control strategy.

The Agency's reply:

- **reliability of accounts**: the Agency noted that precise data concerning the Agency's administrative costs covered by the Commission are owned by the latter. It considered the fact that the Commission pays the salaries of the Agency's staff (and some other administrative expenses) does not jeopardise per se the ESA's independence while it enables economies of scale;

- **internal controls**: in the Agency's understanding, an appropriate risk management and control strategy is effectively in place. However, starting within the current year, the Agency will provide further, structured documentation on risk-assessment and risk mitigation actions.

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

Budget: EUR 104 000 including a EUR 98 000 Community contribution.

Activities:

- some 279 transactions, including contracts, amendments and notifications of the front-end activities;
- report on the uranium market (Quarterly Uranium Market Reports) or as regards the nuclear sector (Nuclear News Digests);
- participation in activities of the Agency's Advisory Committee;
- relations with other EU institutions and international cooperation, namely the IAEA (International Atomic Energy Agency) and the OECD/NEA (Nuclear Energy Agency).