2014 discharge: European Environment Agency (EEA)

2015/2168(DEC) - 15/09/2015 - 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 2014, 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 2014, and
- 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 2014 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 2014 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:

- **legality and regularity of the accounts**: in 2014, the Agency launched a call to procure services to provide IT and Geographic Information Systems (GIS) consultancy services for the implementation of Reference Data Access (RDA) component and for supporting EEA in other Copernicus related activities to the value of EUR 1.7 million. In this regard, clearer tender specifications would have contributed to a more effective and competitive procurement procedure;
- **internal controls**: the Court noted weaknesses for the grant transactions audited;
- **data protection**: the Agency has contracted backup services, including email services, with a cloud services provider using an interinstitutional contract procured by DIGIT. The conditions of the contract do not adequately define the location of the Agency's data. The contractor has reserved the right to transfer the Agency's data outside the geographic area of the European Union without notice, e.g. to address latency issues, routing data may need to be copied to different data centres in different regions.

The Agency's replies:

- **legality and regularity of the accounts**: according to EEA's understanding the principle of transparency has been respected;
- **internal controls**: the Agency stated that it will take account of the comments of the Court when revising the current European Topic Centres or (ETC) verification policy;
- **data protection**: the EEA considered the residual risks identified as acceptable and adequately addressed by the agreed contractual clauses. The EEA will however undertake periodic reviews of the contract implementation with a view to re-assess the risks and adopt appropriate measures and remedial actions if deemed necessary.

Lastly, the Court of Auditors' report contains a summary of the **Agency's activities in 2014**. This is focused on the following:

Budget: EUR 52.6 million of which the Union subsidy amounts to 80%.

Activities:

- production of press releases;
- data sets;
- indicators;
- publication of reports and promotional material;
- study on the European environment — state and outlook.