

2015 discharge: European GNSS Agency (GSA)

2016/2180(DEC) - 13/09/2016 - 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 2015, together with the Agency's replies.

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 focused on the annual accounts of the European GNSS Agency (GSA). The GSA officially took over all tasks previously assigned to the GALILEO Joint Undertaking. The Commission entrusted the exploitation of the European Geostationary Navigation Overlay Service (EGNOS) to the Agency through a delegation agreement.

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 2015, 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 2015 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. A comment was made by the Court as regards the last validation of the accounting systems which was performed in 2012. The new accountant plans to perform **the next validation in 2020**.

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 2015 are legal and regular in all material respects.

The report made 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 stated that the Agency's audited budgetary implementation report differs from the level of detail provided by most other agencies. It stated that the level of carry-overs for committed appropriations was high for administrative expenditure at EUR 2.5 million which mainly related to services provided in 2015 for which invoices were not received until 2016;
- **planning:** the Agency's 2015 annual work programme was only adopted in March 2015 and the adoption of its 2014-2020 multi-annual work programme is outstanding. This puts the achievement of the Agency's objectives at risk.

The Agency's reply:

- **budgetary management:** the Agency stated that based on an agreement signed with the Commission, the Agency's accounts and related reports have been prepared by the Commission's accountant. It has made significant efforts to reduce the traditionally high level of carry-overs. Due to the quarterly nature of invoicing of several large contracts, certain high-value invoices relating to 2015 services were only received in 2016. The high level of carry-over therefore allowed forward-looking reprioritisation, while avoiding cancellations;
- **planning:** the Agency observed that all steps at GSA level related to annual work programme preparation and submission were completed timely. Therefore, the GSA continues to work closely with the Commission as a key stakeholder to ensuring the timely adoption of future annual work programmes and the multi-annual work programmes.

Lastly, the Court of Auditors' report also contained a summary of the **Agency's key figures in 2015:**

- **Budget:** EUR 363 million (payment appropriations).
- **Staff:** 139 including officials, temporary and contract staff and seconded national experts.