2016 discharge: European Environment Agency (EEA)

2017/2151(DEC) - 19/09/2017 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Environment Agency (EEA) for the financial year 2016, 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**). In brief, this Agency is responsible for setting up an observation network to provide the Commission, the Parliament, the Member States and, more generally, the public with reliable information on the state of the environment.

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 2016, 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 2016 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 2016 are legal and regular in all material respects.

The report also makes a series of observations on the internal controls 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 controls**: the Court the Agency updated its Security Policy in 2016 but many other internal procedures are outdated. The Agency envisages to review and update its internal control standards, where necessary;
- **financial management**: the Court raised issues concerning the lack of competition regarding a signed framework contract (FWC) to purchase software licences for a total of EUR 442 754.

The Agency's replies:

- **internal controls**: the Agency stated that it maintains a significant number of regularly updated procedures that are made available to all staff via the intranet;
- **financial management**: the Agency stressed that the framework service contract is indeed the result of an inter-institutional procurement procedure carried out by the European Commission. The Agency will enquire to the Commission whether on the basis of the aggregated volume of licenses purchased they could be promoted to the local or corporate category of the framework service contract.

Lastly, the Court of Auditors' report contains a summary of the **Agency's key figures in 2016**:

- **Budget**: EUR 50.5 million.
- **Staff**: 208 including officials, temporary and contract staff and seconded national experts.