2016 discharge: European Maritime Safety Agency (EMSA)

2017/2157(DEC) - 17/10/2017 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Maritime Safety Agency (EMSA) for the 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 Maritime Safety Agency (**EMSA**). The Agency's tasks are to ensure a high level of maritime safety and to prevent pollution by ships, provide the Commission and the Member States with technical assistance, and monitor the implementation of Union legislation, as well as to evaluate its effectiveness.

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 regarding the Agency, accompanied by the latter's response. The main observations may be summarised as follows:

The Court's observations:

- **internal controls**: the Court noted that in 2014, the Agency concluded a framework contract amounting to EUR 3.5 million for the purchase of IT-related goods and services over a 6-year period. The Agency **underestimated the needs** and likely contract value, leading to an 80 % consumption of the contract at the end of 2016. A new procurement procedure has to be launched 4 years earlier than expected, resulting in additional administrative costs. In addition, in 2016, the Agency concluded seven framework contracts for the purchase of oil pollution response systems. The procurement procedure was launched under the assumption that the total value of the seven frameworks contracts would be EUR 7 million. However, this assumption underestimated the Agency's needs and seven framework contracts for an amount of EUR 7 million each were signed, leading to a total value of the contracts of EUR 49 million.

The Agency's replies:

- **internal controls**: as regards the IT contract, the Agency replied that defining the needs related to this contract was particularly challenging as at the time of the procurement the negotiations on the Delegation Agreement for Copernicus were still ongoing and, more importantly, it was not clear if and to which extent IT costs would be eligible under this agreement, mainly because of the issue how to deal with Copernicus specific needs in a hybrid and combined IT environment at EMSA. The fact that Copernicus would consume a substantial part of the above mentioned framework contract could not be foreseen at the time the contract was concluded. As regards the framework contracts, the Agency stipulated that it was originally foreseen to launch a six-lot procurement procedure with an overall estimated budget of EUR 7 million excluding VAT. However, in the period between the initial estimation of the needs and the actual launch of the tender the forecasted needs evolved and as a result the tender was launched with a **different number of lots and different budget ceiling per lot**. The whole package of tender documentation was adapted accordingly and published in a coherent way indicating EUR 7 million per lot.

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

- **Budget**: EUR 71.1 million.
- **Staff**: 246 including officials, temporary and contract staff and seconded national experts.