2016 discharge: European GNSS Agency (GSA)

2017/2165(DEC) - 23/03/2018 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Bart STAES (Greens/EFA, BE) on discharge in respect of the implementation of the budget of the European GNSS Agency for the financial year 2016.

The committee called on the European Parliament to grant the Executive Director of the Agency discharge in respect of the implementation of the agency's budget for the financial year 2016.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Agency for the financial year 2016 were reliable and that the underlying transactions were legal and regular, Members called on Parliament to approve the closure of the Agency's accounts.

They made, however, a number of recommendations that needed to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on performance, financial management and control of EU agencies:

- **Agency's financial statements**: Members noted that the Union subsidy to the final budget of Agency for the financial year 2016 was EUR 29 086 327, representing an increase of 5.36 % compared to 2015.
- **Agency's obligations**: in 2016 the Agency did not fulfil its discharge obligations as regards replying to the questions raised during the 2015 discharge procedure. Members considered that this could be considered to be a procedural ground for postponing the discharge. Such a delay should not be repeated.
- **Budget and financial management**: budget monitoring efforts during the financial year 2016 resulted in a **budget implementation rate of 100 %**. The Agency continued to manage a large amount of delegated budget in 2016 following the signature of two new delegation agreements (EGNOS Exploitation and Galileo Exploitation) in the course of 2016.
- **Commitments and carry-overs**: the level of carry-overs for committed appropriations was high at EUR 2 806 212 (45 %) for administrative expenditure in 2016, compared with EUR 2 511 309 (42 %) in 2015. These carry-overs mainly relate to IT services provided in 2016 for which invoices were not received. The level of cancellations of carry-overs of the Agency is very low (0.7 % overall budget lines in 2016). The Agency considered this to be a better indication of budget management than the level of carry-overs itself.

Members also made a series of observations regarding transfers, the prevention and management of conflicts of interests, procurement and staff policy and internal audits and controls.

They pointed out that the Agency has still not adopted a **whistleblowing** policy. The Agency will start the process of adoption of a whistleblowing policy on the basis of the Commission's implementing rules for agencies, which are expected to be finalised in 2018.

Members also noted that the Agency operates the Galileo Security Monitoring Centre and the Galileo ground stations, both of which are located on United Kingdom territory. The status of the United Kingdom within those frameworks remains to be determined. The report called on Agency to work in close cooperation with the Commission regarding the Brexit negotiations in order to be sufficiently prepared to minimise any negative operational or financial impact that may occur.

Lastly, Members expressed disappointment that the Agency´s **visibility** is still not satisfactory. They called on it to be more proactive in presenting its mission and work to the wider public and to increase its overall visibility.