2017 discharge: European GNSS Agency (GSA)

2018/2196(DEC) - 18/09/2018

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European GNSS (Global Navigation Satellite System) Agency for the year 2017, together with the Agency's replies.

CONTENT: the Court of Auditors carried out the audit on the annual accounts of the European GNSS Agency (aka 'GSA'),

In brief, its main task is to manage the public interests relating to the European GNSS programmes and to act as the regulatory authority for the programme during the deployment and operational phases of the Galileo Programme.

Statement of assurance and reliability of the accounts

The Court considered that:

- the Agency's annual accounts present fairly, in all material respects, its financial position as at 31 December 2017 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;

- the transactions underlying the annual accounts for the year ended 31 December 2017 are legal and regular in all material respects.

Emphasis of matter

On 15 December 2016, the Agency signed a Framework Contract on the exploitation of the Galileo satellite system during the period 2017 to 2027, amounting to EUR 1.5 billion. The contract was awarded following a public procurement procedure. One of the tenderers involved has launched legal proceedings, challenging the outcome of the procurement procedure. The ruling of the European Court of Justice will decide on the legality and regularity of the procurement procedure for the framework contract and all related specific contracts and future payments.

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

Financial management and performance

Agencies should introduce a single solution for the electronic exchange and storage of information with third parties participating in public procurement procedures (e-procurement). As the same requirement exists for all EU Institutions, the Commission is developing a comprehensive IT solution covering all phases of public procurement procedures. The Commission launched tools for electronic invoicing (e-invoicing), for the electronic publication of documents related to contract notices (e-tendering) and for the electronic submission of tenders (e-submission). By the end of 2017, the Agency was not yet using any of these tools.

On Brexit, the Agency operates both Galileo Security Monitoring Centre (GSMC) and Galileo ground stations that are located in UK territory. The Agency's financial statements report the Commission decision to transfer the GSMC back-up site from the UK to Spain.

The Agency's replies

Financial management and performance

It is noted that the 'e-Submission' module currently supports only open procedures and, therefore, the GSA shall use it only for such procedures.

Lastly, the Court of Auditors' report also contained a summary of the Agency's key figures in 2017:

Budget

EUR 704 million (payment appropriations).

Staff

166 including officials, temporary and contract staff and seconded national experts.