2003 discharge: European Environment Agency

2004/2053(DEC) - 30/12/2004

This report from the Court of Auditors concerns the results of the audit carried out by the Court on the annual accounts of the European Environment Agency for the financial year ended 31 December 2003.

The Court has obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2003 were reliable and that the underlying transactions, taken as a whole, were legal and regular.

The appropriations entered under the final budget for the financial year 2003 amounts to EUR 27.5 million with EUR 27.4 million being committed. EUR 19.6 million was paid and EUR 7.7 million carried over to 2004 and EUR 200 000 being cancelled.

The Court's report states that contrary to the provisions of the Agency's financial regulation, recovery orders are not issued on a systematic basis when claims are established. This was the case for claims amounting to 2 539 000 euro, 1 472 000 euro of which had already been collected.

Furthermore, the Court highlights that the statements for the Agency's seven bank accounts were not reconciled with the corresponding balances in the accounts during the course of 2003. Reconciliation should be carried out monthly and the details forwarded to the responsible person in the administration.

The Agency responds point by point to the observations made by the Court. Firstly, it recognises the need to reinforce the management of recoveries and the requirement for regular reconciliations of the accounts. In order to remediate the resource limitations that have occurred and to increase the capacities it has been decided to recruit an accountant at the administrator level against the establishment table 2004.

In the short term, an EEA task force on accounting is being established to ensure regular and correct operations throughout the year, to implement accrual accounting and to prepare for the closing of the accounts against the necessary standards and requirements.