2004 discharge: European Aviation Safety Agency

2005/2118(DEC) - 05/10/2005 - Court of Auditors: opinion, report

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 Aviation Safety Agency for the financial year ended 31 December 2004.

The Court has obtained reasonable assurance that the Agency's accounts for the financial year ended 31 December 2004 are, in all material respects, reliable. The transactions underlying the Agency's annual accounts, taken as a whole, are legal and regular. The observations which follow do not call the Court's opinion into question.

The report states that the appropriations entered in the final budget amount to EUR 11 337 000 with EUR 8 997 000 committed and EUR 7 609 000 paid. EUR 1 388 000 was carried over to 2005, and EUR 2 340 000 cancelled. The outstanding commitments carried over from the previous financial year were EUR 2 912 000.

The Court observes that, contrary to the budgetary principle of specificity, the Agency's initial budget and its amending budgets do not give a breakdown of appropriations in terms of articles and items, as required by the Agency's financial regulation.

The revenue and expenditure account for the financial year 2003 showed a loss of EUR 214 000. In accordance with the provisions of the Agency's financial regulation, this outturn ought to have been entered in an amending budget for 2004.

Furthermore, the budgetary management suffers from a number of anomalies: a lack of any indication in the amending budgets about the transfers carried out or even of any reasons for these transfers, failure to inform the Management Board about the transfers, and payment of advances outside the budget.

The Agency has not yet adopted the implementing rules for its financial regulation. Neither has it carried out any risk analysis or prepared any internal control standards.

The staff selection procedures are not laid down formally and vary from one selection to another without any apparent reason. In order to improve the transparency of the decisions taken in this regard, the Agency needs to formalise its recruitment procedures and make them more consistent.

The Agency responds point by point to the Court's observations. The budget for the financial year 2005 and the preliminary draft budget for 2006 were adopted with the breakdown required by the regulations.

The Agency has taken into account the loss recorded in 2003 in the revenue and expenditure account for the financial year 2004. As the outturn recorded in 2004 was positive, it ought not to have to be entered in an amending budget.

All decisions on transfers in the financial year 2004 were reasoned, with the exception of the first two. The Agency has taken the necessary steps to avoid the situations described by the Court from recurring.

The implementing rules for the Agency's financial regulation were adopted by its Management Board on 14 June 2005. A risk manager/internal auditor, whose main task shall be to carry out risk analysis and prepare internal control standards, is being recruited.

Finally, the Agency states that it will endeavour to improve the transparency of its recruitment procedures, in particular by drawing up manuals of procedure.