2004 discharge: European Maritime Safety Agency

2005/2117(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 Maritime Safety Agency for the financial year ended 31 December 2004.

The Court states that its audit was planned and performed to obtain reasonable assurance that the accounts are reliable and the underlying transactions are legal and regular. 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 shows that the appropriations entered in the final budget amount to EUR 13 340 000 with EUR 7 503 000 committed and EUR 4 666 000 paid. EUR 2 901 000 was carried over to 2005, and EUR 5 837 000 cancelled. The outstanding commitments carried over from the previous financial year were EUR 536 000.

The Court makes the following observations:

- according to Article 31 of the Agency's financial regulation, a distinction has to be made in the Agency' s budget between commitment appropriations and payment appropriations. This distinction is not in evidence in the Agency's budget for the financial year 2004. During the year in question, the Agency nevertheless managed part of its operating appropriations according to the rules applicable to differentiated appropriations. However, the accounts relating to the Agency's implementation of its budget are not suited to presenting differentiated appropriations, and the Agency must adapt its budget accordingly;

- the appropriations carried over from the previous financial year which were not used by the end of the year were not cancelled.

Moreover, an analysis of the implementation of the budget shows a low level of execution of payments, and a substantial volume of carry-overs of appropriations to the following year. Such practices do not comply with the budgetary principles of accuracy and annuality;

- the share of carry-overs of appropriations that is to be regarded as expenditure for the financial year is evaluated on the basis of declarations made by the authorising officers by delegation. These declarations have to be drawn up in such a way as to enable the accounting officer to correctly appraise the Agency's actual expenditure, which has not often been the case. Furthermore, the files concerning commitments and payments are frequently incomplete and operations carried out on the basis of provisional commitments cannot be properly traced. The internal control system needs to be strengthened in order to remedy its shortcomings.

The Agency responds point by point to the Court's observations:

- the Agency managed part of its operating appropriations according to the rules applicable to differentiated appropriations. It is in contact with the Commission with a view to drawing up appropriate presentation models for its budget data.

- following the Court’s observation, the Agency cancelled the appropriations carried over which were not used. Due to a lack of operational managerial staff, it was only possible to launch the calls for tenders in the autumn, which explains the low rate of payment observed and, consequently, the high rate of carry-overs;

- from the financial year 2005 the carry-overs to be taken into account will be examined on the basis of invoices and not on the basis of declarations made by the authorising officers. The Agency is in the process of strengthening its internal control system in order to ensure better traceability of its operations, in particular by standardising book-keeping procedures.