Basic information

2003/2245(DEC) DEC - Discharge procedure	Procedure completed
2002 Discharge: European Environment Agency **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	MULDER Jan (ELDR)	10/09/2002

Committee for opinion	Rapporteur for opinion	Appointed
ENVI Environment, Public Health, Consumer Policy	GOODWILL Robert (PPE-DE)	01/12/2003

Key events

Date	Event	Reference	Summary
15/10/2003	Non-legislative basic document published	N5-0025/2003	Summary
18/12/2003	Committee referral announced in Parliament		
18/03/2004	Vote in committee		
18/03/2004	Committee report tabled for plenary	A5-0212/2004	
20/04/2004	Debate in Parliament		
21/04/2004	Decision by Parliament	T5-0322/2004	Summary
21/04/2004	End of procedure in Parliament		
21/04/2004	Final act published in Official Journal		

Technical information

Procedure reference	2003/2245(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed

Documentation gateway				
European Parliament				
Document type	**Committee**	**Reference**	**Date**	**Summary**
Committee report tabled for plenary, single reading		A5-0212/2004	18/03/2004	
Text adopted by Parliament, single reading		T5-0322/2004 OJ C 104 30.04.2004, p. 0421-0565 E	21/04/2004	Summary
Council of the EU				
Document type		**Reference**	**Date**	**Summary**
Supplementary non-legislative basic document		06188/2004	09/03/2004	Summary
Other institutions and bodies				
Institution/body	**Document type**	**Reference**	**Date**	**Summary**
CofA	Non-legislative basic document	N5-0025/2003 OJ C 319 30.12.2003, p. 0015-0021	15/10/2003	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Budget 2004/0709 OJ L 330 04.11.2004, p. 0014-0014	Summary

2002 Discharge: European Environment Agency

2003/2245(DEC) - 21/04/2004 - Final act

PURPOSE : to grant discharge to the European Environment Agency, in respect of the implementation of its budget for the financial year 2002.

LEGISLATIVE ACT : Decision 2004/709/EC of the European Parliament concerning discharge to the Director of the European Environment Agency for the financial year 2002.

CONTENT : with this present Decision, the European Parliament gives discharge to the Director of the European Environment Agency, in respect of the implementation of its budget for the financial year 2002.

This Decision is in conformity with the European Parliament’s resolution approved on 21 April 2004 and which is accompanied by a series of which complete the discharge decision (please refer to the summary of the opinion).

2002 Discharge: European Environment Agency

2003/2245(DEC) - 15/10/2003 - Non-legislative basic document

PURPOSE : to present the report from the Court of Auditors on the financial statements of the European Environment Agency for the financial year 2002. CONTENT : this report concerns the results of the audit performed by the Court on the financial statement of the European Environmental Agency for the financial year ended 31/12/2002. This examination has enabled the Court to obtain reasonable assurance that the annual accounts are reliable and that the underlying transactions, taken as a whole, are legal and regular. The report states in particular that the appropriations for the financial year 2002 totalled EUR 25,2 million, of which EUR 24,6 million was committed. Payments in respect of appropriations for the financial year totalled EUR 18 million. The carryover total, although less than last year, remains high (EUR 7,2 million). Of this sum, EUR 5,8 million concerns operating appropriations, which is almost 50 % of the appropriations assigned for that purpose (12,1 million). As the Court emphasised in its Report concerning the financial year 2001, the Agency should continue its efforts to evaluate more rigorously the justification for carrying sums over. The Agency decentralised financial matters to its operating services. The aim of decentralising them was to strengthen administrative capacity at the level of the operating services, to reduce delays and to minimise the dispersion of supporting documents. Measures should have been adopted to enable the financial departments to follow up the Agency's activities and programmes, since responsibility for their implementation is often shared between various departments. Concerning the legality and regularity of the of the underlying transactions, the Court highlights that following a decision taken by the Director on 4 March 2002, an imprest account for the sum of DKK 200 000 was opened to cover expenditure resulting from missions and meetings organised by the Agency. The rules for the management of this imprest account ought to be clearly defined and, in accordance with the Financial Regulation, separate accounts should be kept for it. Measures ought also to be adopted to reduce the costs and risks associated with this imprest account (transport of substantial amounts in cash). In its Annual Reports for 1999, 2000 and 2001, the Court drew attention to deficiencies in the documents supplied in support of requests for payment. An analysis of the payments files was carried out in 2002 and showed that this situation had not changed. The Court criticises a number of contracts signed with the UN and the Royal Awards Foundation. The purpose of the latter is to promote action in favour of the environment and was set up by the Agency and three other bodies. In fact, neither the regulation that set up the Agency, nor its financial regulation, permits the Agency to set up such Foundations or to grant them any form of subsidy. On the issue of sound financial management, the Court states that the daily expenses paid to consultants are very high. The regulation setting up the Agency states that its purpose is to provide the Commission and the Member States with information on the environment in certain priority areas. To do this, the Agency must carry out various tasks. Performance of these tasks is based on a work programme. This programme, and the generalstructure of the budget, must be more clearly linked to the Agency's objectives and tasks, so as to make its actions more transparent and to improve its ability to monitor and evaluate its management efficiency. The Agency replies to the criticisms made by the Court. It states in particular that the amounts of carry-forward credits, both in absolute and in relative terms, have declined as compared to 2001. The budgetary cycle of these projects is governed by the terms of the grant agreement, and is in most cases multiannual. The Agency is tightening its requirements in the decentralised archiving system. Given the enlargement of the Agency since 2002 and a number of projects including experts from non-EU countries, there is a need to pay meeting participants from non-EU countries in advance. Measures have been taken by the Agency to reduce the risks of advance cash payments, and will be explored further. Since 1 January 2003, accounting in relation to the imprest account has been modified to match the Court's observations. The proportion of advance payments will be limited in the future. Grant agreements with international bodies are being phased out in the context of the new Financial Regulation. Since 2003, the Agency has invoiced all costs relating to this activity. The Agency makes clear that consultants are contracted by the Agency after open tendering and in relation to market prices. It also states that a new work programme and related budget structure will be brought in place from 1 January 2004 onwards.

2002 Discharge: European Environment Agency

2003/2245(DEC) - 21/04/2004 - Text adopted by Parliament, single reading

The European Parliament adopted the report by Jan MULDER (ELDR, NL) concerning the granting of discharge to the Director of the European Environment Agency, in respect of the implementation of its budget for the financial year 2002. The Parliament records its comments in the accompanying resolution. Firstly, as regards the implementation of the budget - audit and control, Parliament notes the Agency's reply to the questionnaire concerning carry-overs and in particular its position concerning the multi-annual nature of several of its projects; invites the Agency therefore to explain further its analysis of the options offered by the new Financial Regulation, in particular the use of differentiated appropriations in the case of agreements with the European Topic Centres with a view to reducing carry-overs and better complying with the annuality principle. Parliament welcomes the establishment by the Agency of an internal audit capability but stresses the importance of cooperation with the Commission's Internal Audit Service. It reiterates its calls to the Agency to implement rapidly the measures needed to support the decentralised filing and archiving system with a view enabling the financial departments to better monitor the Agency's activities and programmes. On the issue of legality and regularity of the underlying transactions, the Parliament is deeply concerned by the repeated criticism voiced by the ECA as regards the deficiencies in the documents supplied in support of requests for payments. It expects the Agency to take swift action to remedy this problem and to report to Parliament's competent committee once the filing, archiving and mail registration system is up and running. Furthermore, it notes the Agency's undertaking given in the replies to the questionnaire that no further grant agreements with international bodies will be established in future and that they will be restricted to the specific context of the EEA Regulation and the new Financial Regulation. It notes also the Agency's clarification as regards facilities offered to the Royal Awards Foundation and in particular that the latter has paid, since 1 January 2003, the cost of the office which it occupies at the Agency's premises. It notes the Agency's intention to cease hosting the Foundation; expects nonetheless the Agency to take stock of the ECA's observations so as to avoid similar criticism being voiced again in the future. In parallel, the Parliament has made a series of horizontal points on all of the Agencies' discharges which can be summarised as follows: - Internal audit and control measures : Parliament reiterates the position taken in its resolutions 2003 accompanying the discharge given to the Agencies for 2001 as regards the implementation of the new Financial Regulation and invites the Commission and the Agencies to continue their cooperation, in particular in the areas of accounting, internal audit, management and control procedures, so as to ensure that a coherent harmonised framework for the functioning of the Agencies is established. It recalls that it expressed concern in the discharge resolution for 2001 concerning the lack of controls on the agencies carried out by the internal audit service of the Commission (IAS). Parliament expresses grave concern that such controls do not seem to have been carried out this year. It stresses that it is essential that the Agencies be required to submit to the investigative powersof OLAF under the same conditions as the other institutions. - Financial Management : Parliament invites the Agencies to better explain their analysis and to indicate in particular which of their activities of a multi-annual nature might be financed by such appropriations. The Commission is invited to present its position on such a solution and, should it consider that this solution is not feasible, to outline alternatives allowing for a substantial reduction in carry-overs. - Review of the agencies : the Parliament states that that, prior to any decision to set up an agency, the Commission must make a rigorous analysis of the need for and added value of the functions that the agency will

perform, with an eye to the principles of subsidiarity, budgetary rigour and procedural simplification. Like last year, the Commission is called upon to make a general study of activities currently carried out by various Community bodies that might overlap or serve the same goals, and to propose appropriate solutions, including the possible mergers of agencies. Parliament is concerned by the fact that there is an imbalance between administrative and operational expenditure in many Agencies, with administrative expenditure exceeding expenditure for operational purposes. The Commission and the Agencies are called upon to set targets and a timetable to reduce the level of administrative expenditure as a proportion of total expenditure. The Agencies are encouraged to : - improve cooperation between themselves in order to meet their needs in specific areas (for example, software development) and reduce costs, rather than adopt solutions which were initially designed for the purposes of the Commission but which often prove to be too cumbersome and complicated for the Agencies' specific needs; - organise and develop a close working relationship with the competent parliamentary committees; invites its standing committees with competence in the areas of activity of each of the Agencies to co-ordinate their action with the Committees of Budgets and Budgetary Control, with a view to ensuring efficient monitoring of the activity of the Agencies. - New sources of financing : Parliament calls on the Commission and the Agencies to come forward with constructive proposals with regard to further development of new sources of additional financing, which would increase the level of self-financing. It welcomes the financial contributions of some Member States and regions to the agencies located on their area and considers it important for Council and the Commission to demand such contributions, especially when new agencies are set up. - Harmonised operating framework : Parliament recalls its that the multitude of different forms in the existing agencies' structures was thought to be "neither transparent nor comprehensible. Therefore, it has invited the Commission to present appropriate proposals, aimed at creating such a harmonised framework for the agencies, prior to or at least in parallel with the presentation of the legislative proposals for the new agencies; insists that an interinstitutional agreement spelling out common guidelines is a pre-condition for creating the harmonised framework. - Staff policy : the Parliament considers that the staff policy of the Agencies should comply with the Financial Regulation, the Staff Regulations and the best practice generally followed by the Institutions. The Parliament recalls the principle that theAgencies should as far as possible employ staff on temporary contracts, in order to maintain flexibility and efficiency. In this respect, it is concerned about the serious anomalies detected in connection with the selection procedures of the European Monitoring Centre for Drugs and Drug Addiction and that selection procedures organised by the Agencies should meet the same standards as those organised by the European Personnel Selection Office (EPSO) and that they should not be perceived as a backdoor for easy entry into the European civil service. Lastly, the Commission is invited to make proposals in order to ensure that the Agencies benefit from appropriate support from the EPSO when organising selection procedures and that there is a mechanism in place to validate the outcome of such procedures externally before recruitment takes place.

2002 Discharge: European Environment Agency

2003/2245(DEC) - 09/03/2004 - Supplementary non-legislative basic document

PURPOSE : Council Recommendation on the implementation of the EU's budget for the European Environment Agency covering the financial year 2002. CONTENT : Taking into account the positive Report from the Court of Auditors concerning the Environment Agency's annual accounts the Council recommends that the European Parliament should give a discharge to the Executive Director of the Agency for the implementation of the budget covering the financial year 2002. The Council does, however, have some comments to make. They concern, in particular, the fact that for the financial year 2001-2002 only EUR 6.8 million, or 84%, of the EUR 8.1 million has been carried forward in appropriations. Similarly, for the financial year 2002-2003 only EUR 7.6 million has been carried forward in appropriations with EUR 1 million having to be cancelled. In respect to this situation the Council notes that there are still slight setbacks regarding the establishment of a real sound and efficient financial management. The total carry-over remains high ad the Council recommends that the Agency improve its performance to evaluate more rigorously the justification for carry-overs. The Council also recommends that the Agency limit the amount of advance payments for grant agreement with international bodies. Concerning the decentralisation of financial matters to the Agency's operating services the Council asks that the Agency establish a new working programme and related budget structure, in order to focus on clearer objectives and the linking of these objectives to Activity Based Budgeting. Lastly, in order to achieve a more cost efficient financial management of its resources, the Council invites the Agency to directly recruit the experts that it needs on an almost permanent basis.