Basic information

2006/2164(DEC) DEC - Discharge procedure	Procedure completed
2005 discharge: European Maritime Safety Agency **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	HERCZOG Edit (PSE)	20/04/2006

Committee for opinion	Rapporteur for opinion	Appointed
TRAN Transport and Tourism	CRAMER Michael (Verts /ALE)	21/11/2006

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2787	2007-02-27

European Commission

Commission DG	Commissioner
Budget	KALLAS Siim

Key events

Date	Event	Reference	Summary
31/10/2006	Non-legislative basic document published	N6-0032/2006	Summary
29/11/2006	Committee referral announced in Parliament		
26/03/2007	Vote in committee		Summary
02/04/2007	Committee report tabled for plenary	A6-0114/2007	
24/04/2007	Decision by Parliament	T6-0123/2007	Summary
24/04/2007	Results of vote in Parliament		
24/04/2007	Debate in Parliament		
24/04/2007	End of procedure in Parliament		

15/07/2008	Final act published in Official Journal		

Technical information

Procedure reference	2006/2164(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/42419

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE384.443	09/02/2007	
Committee opinion	TRAN	PE382.458	01/03/2007	
Amendments tabled in committee		PE386.399	08/03/2007	
Committee report tabled for plenary, single reading		A6-0114/2007	02/04/2007	
Text adopted by Parliament, single reading		T6-0123/2007	24/04/2007	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05711/2007	07/02/2007	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
OS	Non-legislative basic document	N6-0032/2006 OJ C 266 31.10.2006, p. 0013	31/10/2006	Summary
CofA	Court of Auditors: opinion, report	N6-0001/2007 OJ C 312 19.12.2006, p. 0001	19/12/2006	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2008/0527
OJ L 187 15.07.2008, p. 0149 Summary

2005 discharge: European Maritime Safety Agency

2006/2164(DEC) - 24/04/2007 - Final act

PURPOSE: to grant discharge to the European Maritime Safety Agency for the financial year 2005.

LEGISLATIVE ACT: Decision 2008/527/EC of the European Parliament on the discharge for the implementation of the budget of the European Maritime Safety Agency for the financial year 2005.

CONTENT: with the present decision, the European Parliament grants discharge to the Executive Director of the European Maritime Safety Agency for the implementation of the Agency's budget for the financial year 2005.

This decision is in line with the European Parliament's resolution adopted on 24 April 2007 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 24/04/2007).

2005 discharge: European Maritime Safety Agency

2006/2164(DEC) - 07/02/2007

Having examined the revenue and expenditure account for the financial year 2005 and the balance sheet of revenue and expenditure at 31 December 2005 of the European Maritime Safety Agency, the Council recommends the European Parliament to give a discharge to the Executive Director of the Agency in respect of the implementation of the budget for the financial year 2005.

In doing so, the Council confirms that EUR 700 000 (85%) of the EUR 800 000 in appropriations carried forward from the financial year 2004 to the financial year 2005, have been used. In addition, EUR 500 000 in appropriations have been carried forward from the financial year 2005 to the financial year 2006 and EUR 19.8 million have been cancelled.

In parallel, the Council makes accompanying comments on the discharge which should be followed up. In particular, it:

- notes that the **implementation of the budget** for the financial year 2005 was affected by the delays on staff recruitment. It calls on the Agency to take the appropriate measures to remedy this situation;
- calls on the Agency to tighten up its **control system**, including the adoption of minimum standards for administrative and control procedures and the organisation of data, in order to solve the weaknesses detected by the Court;
- states that as regards the **management of public procurement**, it considers that the Agency should also improve its compliance with the regulatory requirements.

2005 discharge: European Maritime Safety Agency

2006/2164(DEC) - 19/12/2006

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 2005.

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 2005 are, in all material respects, reliable.

The report shows that the appropriations entered in the final budget amount to **EUR 35 360 000** with EUR 15 176 000 committed and zero being paid. EUR 494 000 was carried over to 2006 and EUR 19 690 000 cancelled (payment appropriations).

The Court makes the following observations:

- the implementation of the budget for the financial year 2005 was affected by delays observed in staff recruitment, as shown by the commitment rate of less than two-thirds of the budgeted appropriations under Title I (staff expenditure). This situation had repercussions on the utilisation of appropriations for administrative expenditure (Title II, with two-thirds of appropriations committed) and, in particular, on the utilisation of appropriations for operating activities (Title III), with a payment rate of only 33 %;

- that activity-based management has not been brought in, even though the Agency's financial regulation made provision for its introduction, on the model that was applied to the general budget with a view to better monitoring of performance;

- the computerised accounting system for the general accounts allows direct changes to be made to accounting records without corrective journal entries. Moreover, the register of liabilities to be entered in the balance sheet should be checked more carefully: they are actually overestimated by at least EUR 92 000 (i.e. almost 10 % of current liabilities) corresponding to goods and services not yet received at 31 December 2005;

- the documentation of transactions, a prerequisite for a valid system of internal control, shows some weaknesses. Files which relate to commitments and payments are often incomplete or confused, which makes transactions difficult to trace. It is also difficult to monitor contracts entered into by the Agency;

- contract clauses which provide for pre-financing are not standardised with regard to the provision of bank guarantees;

- there are various shortcomings in the management of public procurement. For one contract made up of several lots, the composition of the tender evaluation committee did not comply with the regulatory requirements. In addition, the file concerning the awarding of one lot contained incomplete documentation.

The Agency responds point by point to the Court's observations. It states that the implementation of the budget for the financial year 2005 did suffer from delays in recruitment. A recruitment plan has been established in order to prevent similar delays in 2006. For Titles II and III the payment rates should be higher in 2006, especially for anti-pollution for which contracts have already been signed and payments scheduled.

An activity-based budget management document was presented at the Agency's Administrative Board meeting in June 2006. This document describes the different activities of the Agency and relates them to the corresponding budgets. This initial activity-based management approach will be refined during

the second half of 2006.

Since April 2006, the Agency has been using ABAC, the Commission's accounting system, which does not allow accounting records to be changed without corrective journal entries. Following the Court's observation, particular attention will be given to the register of liabilities to be entered into the balance sheet within the framework of the procedure for processing the automatic carry-overs for 2006-2007.

Following an observation by the Court, the Agency's financial service has revised the control lists, in particular in the field of commitments, payments and the award of contracts. A control list of the supporting documents to be included in a contract award file will be made available to the staff concerned. The database concerning the monitoring of contracts concluded by the Agency will be updated as soon as possible.

Following an observation by the Court, harmonisation of the processing of advance payments and associated guarantees will be introduced.

It is true that one company selected had not provided a list of similar projects which it had carried out, but this request was only conditional.

2005 discharge: European Maritime Safety Agency

2006/2164(DEC) - 24/04/2007 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution drafted by Edit **HERCZOG** (PSE, HU), by 587 votes for, 49 against and 22 abstentions, and granted to the executive director of the European Maritime Safety Agency discharge for the implementation of the Agency's budget for the financial year 2005. It then approved the closing of the accounts of the Agency for the financial year 2005.

The Parliamentary resolution is divided into two parts. The first contained general points, and concerned the majority of EU Agencies requiring individual discharge. The second part contained specific points relating to the Agency.

General points: Parliament considers that the ever-growing number of Community Agencies and the activities of certain of them do not seem to form part of an overall policy framework, and that the remits of some Agencies do not always reflect the real needs of the Union. Accordingly, it invites the Commission to define an overall policy framework for the setting up of new Community Agencies and to present a cost-benefit study before the setting up of any new agency, while being careful to avoid any overlap of activities between Agencies or with the remits of other European organisations. Parliament calls on the Court of Auditors to give its opinion on this cost-benefit study before Parliament takes its decision, and it asks the Commission to present every five years a study on the added value of every existing Agency. ; invites all relevant institutions In the case of a negative evaluation of the added value of an Agency, all relevant institutions are asked to take the necessary steps by reformulating the mandate of that Agency or by closing it.

In view of the constantly increasing number of Agencies, Parliament feels that the Directorates-General of the Commission charged with the setting up and monitoring of Agencies must develop a common approach to the Agencies. It also asks the Commission to improve administrative and technical support to the Agencies. Parliament regretted that the negotiations on the draft interinstitutional agreement on the operating framework for the European regulatory agencies have not yet been concluded, and calls on the Commission, in consultation with the Court of Auditors, to do their utmost to ensure that the agreement is brought to a rapid conclusion. Noting that the Commission's budgetary responsibility calls for closer linking of the Agencies to the Commission, Parliament calls on the Commission and the Council to take all necessary steps to give the Commission a blocking minority in the supervisory bodies of the regulatory Agencies by 31 December 2007 and to provide for such a minority from the outset when new Agencies are set up. It invites the Court of Auditors to create an additional chapter in its Annual Report, devoted to all Agencies to be discharged under the Commission's accounts in order to have a much clearer picture of the use of EU funds by Agencies.

Parliament goes on to ask the Commission to come up with a proposal to harmonise the format of the annual reporting by the Agencies and to develop performance indicators which would allow a comparison of their efficiency. The Commission is urged to monitor and direct the management of the Agencies, especially in relation to the proper application of tender procedures, transparency of recruitment procedures, sound financial management and, most importantly, the proper application of the rules concerning the internal control framework.

Specific points concerning the EMSA: Parliament noted that the implementation of the budget for the financial year 2005 was affected by delays in staff recruitment and that this situation had repercussions on the utilisation of appropriations for administrative expenditure. It also noted that activity-based management was not brought in, and that there were problems in its system of internal accounting.

Parliament insisted that the register of liabilities to be entered in the balance sheet should be checked more carefully as liabilities are actually overestimated by at least EUR 92 000 (i.e. almost 10 % of current liabilities), corresponding to goods and services not yet received as at 31 December 2005. It also insisted that that the system of control must be tightened up, beginning with the adoption of minimum standards for administrative and control procedures, including the nature and organisation of data. It noted that contract clauses which provide for pre-financing were not standardised with regard to the provision of bank guarantees, and invited the Agency to solve this problem immediately.

Lastly, Parliament noted various shortcomings in public procurement management and insisted that the Agency has to comply with the regulatory requirements.

2005 discharge: European Maritime Safety Agency

2006/2164(DEC) - 31/10/2006 - Non-legislative basic document

PURPOSE: presentation of the final accounts of the European Maritime Agency for the financial year 2005.

CONTENT: this document published in the Official Journal of the EU sets out a detailed account of the implementation of the 2005 budget, including the revenue and expenditure and the balance sheet for the year concerned.

According to this document, the final budget amounted to **EUR 35.3 million** (against EUR 13.3 million in 2004) consisting of a 100% Community contribution.

As regards the staffing policy, the Agency, whose temporary headquarters are in Brussels but shall be relocated to Lisbon in the future, set out 95 posts in the establishment plan. 80 posts are currently occupied + 20 other posts (auxiliary contracts, seconded national experts, local staff, employment-agency staff) totalling 100 posts assigned to operational, administrative and mixed tasks.

Staff expenditure amounted to EUR 9 788 000.

The Agency aims to ensure a high, uniform and effective level of maritime safety and prevention of pollution by ships as well as providing the Member States and the Commission with technical and scientific assistance. In 2005, it produced 29 specification and guideline documents. It carried out 40 inspections and 10 investigations. In addition, the Agency organised 22 seminars.

The complete version of the final accounts may be found at the following address:

http://emsa.eu.int

2005 discharge: European Maritime Safety Agency

2006/2164(DEC) - 27/02/2007

The Council, on the basis of intensive preparatory work, approved a recommendation on the discharge to be given to the Directors of the 16 European Union agencies for implementation of their budget for 2005. The recommendation will be submitted to the European Parliament, in accordance with the budgetary discharge procedure.

The Council makes reference to the **Court of Auditors report on translation expenditure** (see summary of the document annexed to the Commission's discharge procedure DEC/2006/2070 dated 8 February 2007 06162/2007). It adopted the following conclusions:

Firstly, it states that it welcomes the Court's special report on translation expenditure - which amounted to EUR 511 million in 2005 - incurred by three institutions in particular as it covers the period of the accession of 10 new Member States, increasing the number of official and working languages to 21. In this context, it underlines the importance of the translation of documents in a European Union **multilingual environment** with equal treatment of the languages of its Member States.

It emphasises that translation demands are to be met in time and in adequate quality, as an essential part of the legislative process keeping the cost under control as well as having adequate procedures to give priority to essential translations which implies efficient and effective management of translation resources. It regrets, however, that in some cases politically important information which should be translated has been included in non translated annexes of documents.

The Council notes with satisfaction that the Court of Auditors stated that the institutions have generally met translation needs in the EU-15 languages in required quality inter alia by recourse to freelance translators. It regrets that all three institutions have faced structural difficulties in providing a sufficient volume and acceptable quality into the EU-10 languages. It expects the institutions to further enhance the degree of multilingualism as regards the information provided on their websites.

Moreover, the Council regrets the fact that the institutions, with the exception of the Commission for 2002, have not calculated their total costs or the average cost per page translated and invites them to do so from now on and inform the budgetary authority on a regular basis.

It notes with concern the fact that the productivity of the EU translation services is much lower than in the private sector, partly due to more effective use of IT tools in the private sector, although the quality of internal translation is recognised to be higher. It notes the long term action plan by the Council General Secretariat to increase its productivity by reducing the number of "full-time equivalent" in the EU-15 language units.

Inter-institutional cooperation: the Council advocates inter-institutional cooperation being reinforced to all institutions in order to improve the efficiency and the procedures and to reduce the costs in the field of translations. It urges the institutions to set up proper forecasting system and improve the system of workload balancing in order to make better use of spare capacity and to avoid unnecessary outsourcing. In 2005, according to the Court, EUR 11 million of freelance translation costs could have been saved by the Commission and by the Parliament by giving the non-urgent documents to be translated for other institutions. It regrets that it was not possible for the institutions to recruit enough translators in EU-10 languages which has resulted in quality and deadline problems in the EU-10 translations and it recommends that sufficient EU-10 translator resources should be ensured by measures increasing awareness and fostering interest in the Community's translation activity in the EU-10 Member States and other Candidate Countries. It recommends that similar measures be taken for Bulgaria and Romania.

The Council emphasises that future measures are to be taken by the institutions to contain the volume translated including control of the size of documents, without prejudice of equal treatment of EU official and working languages taking into account the operational effectiveness, and adoption of a fit-for-purpose approach for authorised texts for translation and encourages the institutions to improve their work planning and comply with the deadlines for requesting translations.

Lastly, the Council requests the institutions to improve the efficiency of the translation process in particular by intensifying the recourse to IT tools, reduction of secretarial support, working methods based on best practices and teleworking. It also invites the Court to examine also the translation expenditure of the other institutions and bodies.