





Basic information	
2007/2051(DEC) DEC - Discharge procedure	Procedure completed
2006 discharge: European Environment Agency EEA Subject 8.70.03.07 Previous discharges	

Key players				
European Parliament	Committee responsible		Rapporteur	Appointed
	CONT Budgetary Control		MARTIN Hans-Peter (NI)	27/03/2007
	Committee for opinion		Rapporteur for opinion	Appointed
	ENVI Environment, Public Health and Food Safety		HAUG Jutta (PSE)	09/10/2007
Council of the European Union	Council configuration		Meetings	Date
	Economic and Financial Affairs ECOFIN		2847	2008-02-12
European Commission	Commission DG		Commissioner	
	Budget		KALLAS Siim	

Key events			
Date	Event	Reference	Summary
30/03/2007	Non-legislative basic document published	SEC(2007)1055 	Summary
25/10/2007	Committee referral announced in Parliament		
26/03/2008	Vote in committee		Summary
03/04/2008	Committee report tabled for plenary	A6-0122/2008	
22/04/2008	Decision by Parliament	T6-0150/2008	Summary
22/04/2008	Results of vote in Parliament		
22/04/2008	Debate in Parliament		

22/04/2008	End of procedure in Parliament		
31/03/2009	Final act published in Official Journal		

Technical information	
Procedure reference	2007/2051(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/53865

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee draft report		PE396.693	13/02/2008	
Committee opinion	ENVI	PE400.454	27/02/2008	
Amendments tabled in committee		PE402.806	06/03/2008	
Committee report tabled for plenary, single reading		A6-0122/2008	03/04/2008	
Text adopted by Parliament, single reading		T6-0150/2008	22/04/2008	Summary
Council of the EU				
Document type	Reference	Date	Summary	
Supplementary non-legislative basic document	05843/2008	29/01/2008	Summary	
European Commission				
Document type	Reference	Date	Summary	
Non-legislative basic document	SEC(2007)1055 	30/03/2007	Summary	
Other institutions and bodies				
Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N6-0004/2008 OJ C 309 19.12.2007, p. 0001	15/11/2007	Summary

Additional information		
Source	Document	Date

Final act

Budget 2009/0213
OJ L 088 31.03.2009, p. 0159

[Summary](#)

2006 discharge: European Environment Agency EEA

2007/2051(DEC) - 22/04/2008 - Text adopted by Parliament, single reading

The European Parliament adopted, by 633 votes in favour, 18 against and 40 abstentions, a Decision to grant the Executive Director of the European Environment Agency discharge in respect of the implementation of its budget for the financial year 2006. The decision to grant discharge also constitutes closure of the accounts of this EU agency.

At the same time, the Parliament adopted by 629 votes in favour, 16 against and 39 abstentions, a Resolution containing the comments which form part of the decision giving discharge. The report had been tabled for plenary by Hans-Peter **MARTIN** (NI, AT) on behalf of the Committee on Budgetary Control.

As is the case for all EU agencies, Parliament's Resolution is divided into two parts: part one contains general comments on EU agencies, while part two focuses on the specific case of the Agency.

1) General comments on the majority of EU agencies: the Parliament notes that the budgets of the 24 agencies and other satellite bodies audited by the Court of Auditors totalled **more than EUR 1 billion** and that the number of agencies is constantly increasing. The number of agencies subject to the discharge procedure evolved from 8 in 2000 to 20 in 2006. It concludes therefore that the auditing/discharge process has become cumbersome and disproportionate compared to the relative size of the agencies and that, in the future, this type of procedure should be simplified and rationalised for decentralised agencies.

On the basis of the financial analysis, the Parliament is of the following opinion:

- **Fundamental considerations:** given the constantly increasing number of agencies, the Parliament requests that, before the creation of a new agency, the Commission provide clear explanations regarding agency type, objectives of the agency, internal governance structure, products, services, clients and stakeholders of the agency, formal relationship with external actors, budget responsibility, financial planning, and personnel and staffing policy. It also requests that each agency be governed by a yearly performance agreement which should contain the main objectives for the coming year and that the performance of the agencies be regularly audited by the Court of Auditors (and extend the financial analysis of expenditure to also cover administrative efficiency and effectiveness). More generally, the Parliament takes the view that, in the case of agencies, which are continually overestimating their respective budget needs, technical abatement should be made on the basis of vacant posts in order to reduce the assigned revenue for the agencies and therefore also lower administrative costs of the EU. It recalls that it is a serious problem that a number of agencies is criticised for not following rules on public procurement, the Financial Regulation, the Staff Regulations etc., and considers that the principal reason for this is that most regulations and the Financial Regulation are designed for bigger institutions rather than for small agencies. Therefore, it is necessary to seek a rapid solution in order to enhance the effectiveness of the legislation by grouping the administrative functions of various agencies together or by establishing implementing rules which are better adapted to the agencies. The Parliament also insists that the Commission, when drafting the Preliminary Draft Budget, take into consideration the results of budget implementation by the individual agencies in former years and revise the budget requested by the particular agency accordingly. If the Commission does not undertake this revision, the Parliament invites **the competent committee to revise, itself, the budget in question to a realistic level**. At the same time, the Parliament recalls that it expects the Commission to present every five years a study on the added value of every existing agency and to not hesitate to close an agency if it is deemed useless by the analysis. Such an assessment is expected as soon as possible given that this type of assessment has yet to be presented. Furthermore, the Parliament insists that recommendations of the Court of Auditors should be promptly implemented and the level of subsidies paid to the agencies should be aligned with their real cash requirements.
- **Presentation of reporting data:** noting that there is no standard approach among the agencies with regard to the presentation of information, the Parliament recalls that it already invited the directors of the agencies to accompany their annual activity report with a declaration of assurance concerning the legality and regularity of operations, similar to the declarations signed by the Directors General of the Commission. It therefore asks the Commission to amend its standing instructions to the agencies and to produce a harmonised model for presenting information, including: i) an annual report intended for a general readership on the body's operations, work and achievements; ii) financial statements and a report on implementation of the agency's budget; iii) an activity report of the Directors of the agency (as requested by the Parliament since 2005); iv) a declaration of assurance signed by the body's director.
- **General findings by the Court of Auditors:** the Parliament refers to certain recurring findings by the Court, including the disbursement of subsidies paid by the Commission (not sufficiently justified estimates of the agencies' cash requirements), the non implementation of the ABAC accounting system by some agencies or the accrued charges for untaken leave which are accounted for by some agencies. It calls for rapid measures in these areas as well as improvements to the internal audit procedures of the agencies. The Parliament also calls on the agencies to consider an inter-agency disciplinary board, as some individual agencies have difficulty in setting up their own disciplinary boards due to their size.

- **Draft inter-institutional agreement:** the Parliament recalls the Commission's draft Interinstitutional agreement on the operating framework for the European regulatory agencies (see [ACI/2005/2035](#)), which was intended to create a framework for the creation, structure, operation, evaluation and control of the European regulatory agencies and awaits its adoption as soon as possible. It particularly welcomes the Commission's commitment to bring forward a Communication on the future of the regulatory agencies during the course of 2008.

2) Specific points concerning the European Environment Agency: while, on the whole, the Parliament commends the Agency's activities, it notes, however, that a considerable amount of budget appropriations for operating activities was carried over to the financial year 2007, due in part to the late receipt of funding for the Corine programme (Global Monitoring for the Environment and Security – GMES). It, therefore, criticises the Agency's non-respect of the budgetary principle of annuality. Similarly, the Parliament regrets certain malfunctions in the Agency's control system, which did not clearly segregate the duties of the authorising officer and the accountant.

On the budgetary front, the Parliament points out that the Agency had an accumulated surplus of EUR 4 241 797 at 31 December 2006 and that, furthermore, according to its report on budgetary and financial management, the Agency is entitled to receive EUR 3.3 million from the Commission corresponding to an underpayment of subsidies for the financial years 1994 to 2005.

Regarding recruitment, the Parliament notes that one-third of the staff is of a single nationality. It, therefore, expects the Agency to improve the balance in and diversity of staffing.

Lastly, the Parliament commends the Agency for the publication of its "balanced scorecard" annexed to its annual report, and believes that other agencies should follow suit.

2006 discharge: European Environment Agency EEA

2007/2051(DEC) - 29/01/2008

Based on the observations contained in the expenditure account and balance sheet of the European Environment Agency for the financial year 2006, as well as on the Court of Auditor's report and the Agency's replies to the Court's observations, the Council recommends the Parliament to supply the Executive Director of the Agency with the discharge on the implementation of its 2006 budget.

In doing so, the Council confirms that EUR 5.8 million (76%) of the appropriations carried over from 2005 to 2006 (EUR 7.6 million) were used, that the appropriations carried over from 2006 to 2007 amount to EUR 9.7 million and that EUR 40 000 was cancelled.

Recalling that the Court of Auditors was able to obtain reasonable assurance that the Agency's annual accounts were reliable in all material respects, the Council considers that the implementation of the 2006 budget calls for a certain number of comments to be taken into account when providing the discharge, particularly on the following points:

- **Carry-overs:** the Council states that there are still problems related to carry-overs for the Agency's operational activities. As a result, it calls on the Agency to take appropriate measures to improve the implementation of the budget with strict compliance with the principle of annuality. It recalls that carry-overs of payment appropriations are only justified for activities taking place during the current financial year;
- **Segregation of duties in terms of finance:** the Council notes the Court's insufficiencies in terms of the internal delegation of financial authorisations. It calls on the Agency to strictly observe the principle of segregation of duties by giving different staff members the role of ensuring ex ante controls and managing the rights of access to its computerised budgetary accounting system.

2006 discharge: European Environment Agency EEA

2007/2051(DEC) - 30/03/2007 - Non-legislative basic document

PURPOSE: presentation of the final accounts of the European Environment Agency for the financial year 2006.

CONTENT: this document sets out a detailed account of the implementation of the 2006 budget, including the revenue and expenditure and the balance sheet for the year concerned.

According to this document, the final budget amounted to **EUR 37.1 million** (compared to EUR 32.1 million in 2005) representing a 75% Community subsidy.

As regards the staffing policy, the Agency, whose head office is in Copenhagen (Denmark), officially set out 115 posts in its establishment plan. 110 of these posts are currently occupied with + 47 other posts (auxiliary contracts, seconded national experts, local and employment-agency staff) assigned to operational, administrative and mixed tasks. In 2006, staff expenditure amounted to EUR 15.692 million.

The Agency's main activities concentrated on the following :

- launch of Prelude (PRospective Environmental analysis of Land Use Development in Europe);
- update of the European Pollutant Emission Register (EPER);
- publication of reports on, inter alia, transport and the environment, agriculture and the environment, energy and the environment, bioenergy, air quality, greenhouse gas emissions, the state of Europe's coasts, urban spread and the management of natural resources;
- seminars organised under the Presidency of the Council;
- assistance with data harmonisation;

- management of the Eionet (European Environment Information and Observation Network).

The complete version of the final accounts may be found at the following address: <http://www.eea.europa.eu/documents>

2006 discharge: European Environment Agency EEA

2007/2051(DEC) - 15/11/2007

PURPOSE: to present the report of the Court of Auditors on the 2006 accounts of the European Environment Agency.

CONTENT: the report notes that the appropriations entered in the Agency's budget for the financial year in question amount to **EUR 37.114 million**, of which EUR 33.677 million was committed and EUR 27.352 million was paid. Out of this general amount, EUR 9.725 million was carried over to 2007 and EUR 36 000 was cancelled.

The Court notes that the accounts for the financial year are reliable in all material aspects and that the underlying transactions of the Agency's accounts are, on the whole, legal and regular.

Analysis of the accounts by the Court: in terms of the implementation of the budget for the financial year 2006, the Court notes that the Agency carried over more than 30% of commitment appropriations. The figure was above 50% for operational costs (Title III of the Agency's budget and assigned revenues). The Court considers that certain carry-overs were not justified: over the last two months of 2006, the Agency committed a total of EUR 1.3 million and the corresponding payment appropriations were carried over to 2007. The audit of a sample of these carry-overs (value = EUR 500 000) showed that they all related to activities to be undertaken in 2007. The budgetary principle of **annuality** was therefore not strictly applied. In addition, the Court notes that the authorising officer (subdelegated) of the Agency carried out ex ante controls and managed the rights of access to the computerised budgetary accounting system, contrary to the principle of the **separation of duties**.

The Agency's response: the Agency considers the criticisms, point by point, and notes that the increase in the rate of carry-overs to the financial year 2007 is mainly the result of exceptional circumstances that occurred in 2006, delaying the interim payments to the Agency's topic centres. The lateness of committed appropriations was due to the obligation to establish license agreements before 1 January and to ensure continuity while respecting the deadlines required to negotiate the costs and timetable of the new activities. In this context, the Agency notes that it will continue its efforts to reduce the rate of carry-overs.

Measures have also been taken to limit the risk linked to attributing certain tasks to the subdelegated authorising officer. The competences for sensitive posts were also amended in mid 2007.

2006 discharge: European Environment Agency EEA

2007/2051(DEC) - 22/04/2008 - Final act

PURPOSE: to grant discharge to the European Environment Agency for the financial year 2006.

LEGISLATIVE ACT: Decision 2009/213/EC of the European Parliament on the discharge for the implementation of the budget of the European Environment Agency for the financial year 2006.

CONTENT: with the present decision, the European Parliament grants discharge to the Executive Director of the European Environment Agency for the implementation of the Agency's budget for the financial year 2006.

This decision is in line with the European Parliament's resolution adopted on 22 April 2008 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 22/04/2008).