Basic information

2007/2057(DEC) DEC - Discharge procedure	Procedure completed
2006 discharge: European Maritime Safety Agency EMSA **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
TRAN Transport and Tourism	ROMAGNOLI Luca (NI)	20/11/2007

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	A6-0115/2008	
22/04/2008	Decision by Parliament	T6-0154/2008	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	2007/2057(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/53877

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE396.699	13/02/2008	
Committee opinion	TRAN	PE398.626	27/02/2008	
Amendments tabled in committee		PE402.777	06/03/2008	
Committee report tabled for plenary, single reading		A6-0115/2008	03/04/2008	
Text adopted by Parliament, single reading		T6-0154/2008	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

European Commission	EUR-Lex	

Final act
Budget 2009/0221 OJ L 088 31.03.2009, p. 0192 Summary

2006 discharge: European Maritime Safety Agency EMSA

2007/2057(DEC) - 22/04/2008 - Final act

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

LEGISLATIVE ACT: Decision 2009/221/EC of the European Parliament on the discharge for the implementation of the budget of the European Maritime Safety Agency for the financial year 2006.

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 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).

2006 discharge: European Maritime Safety Agency EMSA

2007/2057(DEC) - 29/01/2008

Based on the observations contained in the revenue and expenditure account and the balance sheet of the European Maritime Safety 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 that the Parliament grant the Director of the Agency discharge in respect of the implementation of the budget for the financial year 2006.

In doing so, the Council confirms that EUR 0.3 million (63%) of the appropriations carried over from 2005 to 2006 (EUR 0.5 million) was used, that the appropriations carried over from 2006 to 2007 amount to EUR 1.3 million and that a total of EUR 19.5 million was cancelled.

Recalling that the Court of Auditors was able to obtain reasonable assurance that the Agency's annual accounts were, in all material aspects, reliable, the Council believes that there is a certain number of observations that must be taken into consideration when providing the discharge on the implementation of the 2006 budget, particularly regarding the following points:

- **Management of the Agency:** the Council highlights that certain factors, notably the high rate of cancellation of payment appropriations, particularly for operational activities (Title III), a high number of transfers, a high number of vacant posts and an erroneous presentation of the budget, require further improvements to be the management of the financial, budgetary and human resources of the Agency, and calls on the Agency to rectify this situation as soon as possible;
- **Budgetary commitments:** the Council notes with concern the Court's observations regarding several instances when Legal commitments were entered into before the corresponding budgetary commitments, some contracts allowing for 100% prefinancing, and encourages the Agency to avoid such a practice in future and, conversely, to comply in full with the principles of sound financial management;
- **Inventory rules:** finally, the Council calls on the Agency to improve the functioning of its inventory system in order to rectify the shortcomings noted by the Court.

2006 discharge: European Maritime Safety Agency EMSA

2007/2057(DEC) - 30/03/2007 - Non-legislative basic document

PURPOSE: presentation of the final accounts of the European Maritime 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 44.7 million** (compared to EUR 35.3 million in 2005) consisting of a 100% Community contribution.

As regards the staffing policy, the Agency, whose head office is now based in Lisbon (Portugal) set out 132 posts in the establishment plan. 111 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 in 2006 amounted to EUR 10.387 million.

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 2006, it produced 49 specification and guideline documents. It carried out 47 inspections and 7 exercises at sea. In addition, the Agency organised 59 seminars, trainings and workshops representing a total of 102 days and which gathered 1 440 participants.

The complete version of the final accounts may be found at the following address: http://www.emsa.europa.eu/end645.html

2006 discharge: European Maritime Safety Agency EMSA

2007/2057(DEC) - 22/04/2008 - Text adopted by Parliament, single reading

The European Parliament adopted, by 608 votes in favour, 36 against and 25 abstentions, a Decision to grant the Director of the European Maritime Safety 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 613 votes in favour, 36 against and 25 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, the 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 consider 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 Maritime Safety Agency: the Parliament expresses concern at the finding by the Court of Auditors that more than 43% of payment appropriations had to be cancelled at the end of the financial year and that there was a concentration of transactions during the last quarter of the year, such that the budgetary principle of specification was not strictly observed.

It also expresses concern at the following:

- a high number of budgetary transfers;
- inadequate planning of staff recruitment;
- incorrect budget presentation.

The Parliament also regrets the low utilisation rate for payment appropriations for anti-polluting measures at sea (67.7 %), despite Parliament's continuing support for these measures in the process leading to the adoption of the budget. It recalls that, in view of the impossibility of providing an anti-pollution vessel to cover the Atlantic Arc area in 2006 and 2007, comprising the Galician coasts and the Bay of Biscay, it urges the Commission and the Agency to step up their efforts to achieve this objective in 2008.

Furthermore, the Parliament calls on the Agency to take urgent action to remedy the Court's findings in several areas (the Agency's inventory system is weak, its records do not allow all goods to be physically traced, an accumulated surplus of EUR 7.18 million, and the recurring problem of recruiting staff). In this context, it welcomes the Agency’s request to be the pilot project for the Commission’s new generation of ABAC financial systems (Accrual Based Accounting).

In addition, the Parliament believes that further investigations should be carried out into the feasibility of pooling systems and services between agencies, in order to achieve economies of scale and to help new agencies in the start-up phase.

Lastly, the Parliament notes the statement in the Agency's annual report that the reimbursement of travel expenses of the growing number of participants at its meetings is a labour-intensive process. It therefore calls on the Court to look at the general issue of the reimbursement of travel expenses in its next reports on the agencies.

2006 discharge: European Maritime Safety Agency EMSA

2007/2057(DEC) - 15/11/2007

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

CONTENT: the report notes that the appropriations entered in the Agency’s budget for the financial year in question amount to **EUR 44.738 million**, of which EUR 34.287 million was committed and EUR 23.969 million was paid (in the context of differentiated appropriations). Out of this general amount, EUR 1.27 million was carried over to 2007 and EUR 19.499 million was cancelled (as payment appropriations).

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 more than 43% of payment appropriations had to be cancelled at the end of 2006. In addition, a concentration of operations during the last four months of the financial year was observed. The budgetary principle of accuracy was therefore not strictly respected, according to the Court.

The Court also notes that the procedures for drawing up the budget and the list of employees were not rigorous enough, which led to a large number of budgetary transfers, an inadequate programme for recruiting personnel (the failure to meet recruitment objectives led to a transfer which reduced the budget line of salaries by EUR 1.2 million) and an erroneous presentation of the budget.

The Court also notes that legal commitments were contracted before the corresponding budgetary commitments (to a total amount of EUR 345 000). Certain contracts even authorised prefinancing of up to 100%, which does not comply with the principle of good financial management.

Finally, the Court notes that there are shortcomings in the current inventory system. The inventory lists do not allow for the physical follow-up of all movements of goods and computer equipment is not recorded in the system.

The Agency's response: the Agency examines this set of criticisms, point by point, and notes that more than 50% of the Agency’s budget was dedicated to “antipollution measures”. In this context, the Agency made 4 offers to tender with a view to securing 4 contracts relating to antipollution ships. Towards the end of the procedure, 2 of the companies decided, at the last minute, to withdraw their offer meaning that only 2 contracts were secured. This resulted in the cancellation of substantial payment appropriations at the end of the year.

The Agency also notes that the relocation of the Agency from Brussels to Lisbon in 2006 had difficult budgetary implications, including the loss of around 20% of contracted staff.

It also notes that the procedures aimed at avoiding *a posteriori* commitments have been strengthened and that prefinancing conditions have been reviewed.

Lastly, as of June 2007 the Agency replaced the old inventory system with the ABAC Assets system which will eliminate the problems mentioned by the Court.