

Basic information	
2007/2058(DEC) DEC - Discharge procedure	Procedure completed
2006 discharge: European Aviation Safety Agency (EASA) 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	A6-0118/2008	
22/04/2008	Decision by Parliament	T6-0155/2008	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	2007/2058(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/53880

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee draft report		PE396.700	13/02/2008	
Committee opinion	TRAN	PE398.627	27/02/2008	
Amendments tabled in committee		PE402.778	06/03/2008	
Committee report tabled for plenary, single reading		A6-0118/2008	03/04/2008	
Text adopted by Parliament, single reading		T6-0155/2008	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 2009/0223
OJ L 088 31.03.2009, p. 0201

[Summary](#)

2006 discharge: European Aviation Safety Agency (EASA)

2007/2058(DEC) - 30/03/2007 - Non-legislative basic document

PURPOSE: presentation of the final accounts of the European Aviation Safety 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 66.8 million** including EUR 33.2 million of revenue from fees and charges and EUR 31.4 million from Community subsidy as well as a contribution from the Federal Republic of Germany (Ministry of Transport) of EUR 1.2 million.

As regards the staffing policy, the Agency, whose head office is now based in Cologne (Germany), set out a total of 328 posts in the establishment plan. 276 of these posts are currently occupied + 33 other posts totalling 309 assigned to operational, administrative and mixed tasks. Staff expenditure in 2006 accounted for EUR 23.595 million (final budget appropriations paid).

During 2006, the Agency carried out the following activities:

Opinions: 5 opinions concerning amendments to Regulations (EC) Nos 1592/2002, 1702/2003 and 2042/2003.

Rulemaking decisions:

- 3 amendments of CS 25, CS-P and CS-ETSO certification specifications;
- 6 amendments of Acceptable Means of Compliance and Guidance Material for Regulations (EC) Nos 1702/2003 and 2042/2003;
- 1 decision on the organisation of approval numbers.

International cooperation:

- 1 agreement protocol concluded with China on the final production line of the Airbus A320 in China and 1 cooperation agreement signed with China on Airbus products in general;
- 1 cooperation agreement concluded with Japan for the export of European products;
- 13 cooperation agreements concluded with every non-EU ECAC country within the context of the continuation of the SAFA programme;
- Extension of the cooperation agreement with the Aeronautical Committee of the Commonwealth of Independent States on Beriev products;

Certification decisions:

- Type certificates: 70
- Supplementary type certificates: 803
- Airworthiness directives: 382
- European Technical Specifications: 178
- Acceptable means of compliance: 97
- Major changes: 1 125
- Minor changes: 1 830
- Major repairs: 1 009
- Minor repairs: 372
- AFM/RFM (= Flight Manual Revisions): 430
- Approval of design organisations: 377
- Approval of maintenance organisations (bilateral): 1 293
- Approval of maintenance organisations (foreign): 201
- Approval of maintenance training organisations: 16
- Approval of manufacturing organisations: 6

Standardisation inspections (number of countries by type):

- Approval of manufacturing organisations: 12 countries
- Approval of maintenance organisations: 26 countries.

2006 discharge: European Aviation Safety Agency (EASA)

2007/2058(DEC) - 22/04/2008 - Text adopted by Parliament, single reading

The European Parliament adopted, by 621 votes in favour, 37 against and 18 abstentions, a Decision to grant the Executive Director of the European Aviation 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 623 votes in favour, 39 against and 17 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 Aviation Safety Agency:** the Parliament notes that the Agency carried over some 40% of commitments for administrative expenditure and more than 50% for operational expenditure. It also notes that more than 15% of appropriations were cancelled. However, it acknowledges the Agency's justification that the high level of carry-overs was due to the significant outsourcing of its activities to the Member States' National Aviation Authorities.

The Parliament is also concerned by the fact that the Agency's certification activities cost approximately EUR 48 million whereas revenue only amounted to EUR 35 million. Therefore, the current fees scheme must be reviewed in order to ensure that the Agency's costs for certification activities are covered. It is also necessary to review the Agency's fee structure so as to bring costs and revenue for certification activities into balance. In addition, the Parliament notes the statement in the Agency's Activity Report that the uncertainty affecting the operating budget for the Agency has continued, due chiefly to low income from fees.

At the same time, the Parliament notes that the Agency's short-term receivables amounted to EUR 14 million, of which 20% were more than three months old. The Agency must, therefore, implement an effective claim management system.

2006 discharge: European Aviation Safety Agency (EASA)

2007/2058(DEC) - 22/04/2008 - Final act

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

LEGISLATIVE ACT: Decision 2009/223/EC of the European Parliament on the discharge for the implementation of the budget of the European Aviation Safety Agency for the financial year 2006.

CONTENT: with the present decision, the European Parliament grants discharge to the Executive Director of the European Aviation 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 Aviation Safety Agency (EASA)

2007/2058(DEC) - 29/01/2008

Based on the observations contained in the revenue and expenditure account and the balance sheet of the European Aviation 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 6.3 million (96%) of the appropriations carried over from 2005 to 2006 (EUR 6.6 million) was used, that the appropriations carried over from 2006 to 2007 amount to EUR 19.3 million and that a total of EUR 3.7 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 emphasises that certain factors, notably high carryover rates, high rates of cancellations and a significant number of vacant posts, require further improvements to 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;
- **Receivables:** the Council notes the Court's observation that collected revenue was insufficient to cover the cost of the Agency's certification activities. Following the adoption of Regulation (EC) N° 593/2007, which entered into force 1 June 2007, the Council hopes that this issue will be resolved. In the meantime, it encourages the Agency to continue its efforts aimed at implementing an effective claim management system in order to rectify the shortcomings noted by the Court;
- **Procurement:** the Council also notes that the Court revealed that, in two instances, recourse to the negotiated procedure was not justified for procurement and encourages the Agency to improve its programming and, therefore, to respect the principle of open competition concerning the management of public markets;
- **Presentation of the budget:** the Council notes its satisfaction with the greater transparency in terms of creating reports, due to the separate mention of assigned revenues in the presentation of the implementation of the budget.

2006 discharge: European Aviation Safety Agency (EASA)

2007/2058(DEC) - 15/11/2007

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

CONTENT: the report notes that the appropriations entered in the Agency's budget for the financial year in question amount to **EUR 65.663 million** in payment appropriations, of which EUR 60.312 million was committed (as commitment appropriations in the context of differentiated appropriations) and EUR 42.714 million was paid as payment appropriations. Out of this general amount, EUR 19.251 million was carried over to 2007 (payment appropriations) and EUR 3.698 million 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: the Court states that, at the end of 2006, the appropriations carried over for title II (administrative expenditure) were about 40 % of the commitments and for title III (non-differentiated operational expenditure) were about 50 %. For the same titles, more than 15 % of the appropriations were cancelled. Contrary to its financial regulation, the Agency used its differentiated payment appropriations carried over from 2005 despite the fact that it had enough payment appropriations for 2006. Thus, the budgetary principle of **annuality** was not strictly observed.

For its 2006 certification activities, the Agency's cost analysis system showed costs of about EUR 48 million versus revenue of about EUR 35 million. According to the Court, the Agency, in cooperation with the Commission, must review the current fees scheme in order to ensure that the Agency's costs for the certification activities are covered by its fees.

Furthermore, the Court notes that the short-term receivables amounted to approximately EUR 14 million, of which 20 % were more than three months old. The Agency has not yet implemented an effective claim management system, possibly including interest on late payment.

Finally, for a contract with an external consultant (value = EUR 221 000) and for the renewal of an agreement for travel services signed in 2004 (annual market value of approximately EUR 1.5 million), the Agency had recourse to the negotiated procedure for reasons of urgency, which were not justified and rather reflected insufficient programming.

The Agency's replies: the Agency considers the criticisms point by point and notes that the carried over differentiated payment appropriations were related to activities to be paid by the fee income. The Agency had to use differentiated payment appropriations carried over from 2005 because the 2006 fee income was insufficient to cover the cost of its certification activities and to offset the impact of the change from differentiated to non-differentiated appropriations from 1 January 2007 (the Financial Regulation does not provide a procedure for making such a change).

In terms of the costs of certification, the Agency notes that the new fees and charges regulation (EC) No 593/2007, which entered into force on 1 June 2007, should generate revenue sufficient to cover the cost of the certification activities. The Agency also states that it has decided to implement, during 2007 and 2008, an integrated management system that will further increase the level of detail in monitoring the cost of its activities.

The agency also specifies that, during 2006, the follow up of receivables was impacted by the burden of old 2005 recoverable amounts for which sufficient information was not always available. The Agency notes that it is continuing its efforts to make this information more reliable and to reduce the delays in the collection of receivables. Moreover, since December 2006, the Agency has been sending out systematic reminders and is charging interest in case of late payment.

Lastly, the Agency takes note of the Court's observation concerning the management of short-term receivables.