Basic information

2009/2122(DEC) DEC - Discharge procedure	Procedure completed
2008 discharge: European Aviation Safety Agency EASA **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	MATHIEU HOUILLON Véronique (PPE)	01/10/2009
	Shadow rapporteur STAVRAKAKIS Georgios (S&D) GERBRANDY Gerben-Jan (ALDE) STAES Bart (Verts/ALE)	

Committee for opinion	Rapporteur for opinion	Appointed
TRAN Transport and Tourism	JENSEN Anne E. (ALDE)	12/11/2009

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2994	2010-02-16

European Commission

Commission DG	Commissioner
Budget	ŠEMETA Algirdas

Key events

Date	Event	Reference	Summary
23/07/2009	Non-legislative basic document published	SEC(2009)1089	Summary
07/10/2009	Committee referral announced in Parliament		

23/03/2010	Vote in committee		Summary
25/03/2010	Committee report tabled for plenary	A7-0068/2010	
21/04/2010	Debate in Parliament		
05/05/2010	Decision by Parliament	T7-0102/2010	Summary
05/05/2010	Results of vote in Parliament		
05/05/2010	End of procedure in Parliament		
25/09/2010	Final act published in Official Journal		

Technical information

Procedure reference	2009/2122(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/01112

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE430.468	02/02/2010	
Committee opinion	TRAN	PE429.665	23/02/2010	
Amendments tabled in committee		PE439.364	03/03/2010	
Committee report tabled for plenary, single reading		A7-0068/2010	25/03/2010	
Text adopted by Parliament, single reading		T7-0102/2010	05/05/2010	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	05827/2010	01/02/2010	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	SEC(2009)1089	23/07/2009	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary

CofA	Court of Auditors: opinion, report	N7-0012/2010 OJ C 304 15.12.2009, p. 0001	08/10/2009	Summary
CofA	Document attached to the procedure	N7-0036/2009 OJ C 269 10.11.2009, p. 0001	10/11/2009	

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act	
Decision 2010/0516 OJ L 252 25.09.2010, p. 0136	Summary

2008 discharge: European Aviation Safety Agency EASA

2009/2122(DEC) - 05/05/2010 - Text adopted by Parliament, single reading

The European Parliament adopted by 558 votes to 25, with 56 abstentions, a decision on discharge to be granted to the Executive Director of the European Aviation Safety Agency in respect of the implementation of its budget for the financial year 2008.

Furthermore, Parliament adopted a resolution with observations which are an integral part of the decision to grant discharge.

The main points are as follows:

- **performance:** Parliament stresses how important it is for the Agency to set objectives and indicators in its programming so as to assess its achievements. It calls on the Agency to consider making a Gantt diagram part of the programming for each of its operational activities, with a view to indicating the amount of time spent by each staff member on a project and encouraging an approach geared towards achieving results. It also calls on it to set out a comparison of operations carried out during the year for which discharge is to be granted and in the previous financial year so as to enable the discharge authority to assess its performance from one year to the next more effectively;
- **fees and charges Regulation:** noting that 2008 was the first full year of implementation of certification tasks for the fees and charges levied by the Agency, Parliament calls on it to establish a monitoring system at the level of certification projects to make sure that, over the entire project duration, the fees levied do not deviate significantly from the actual cost. It regrets that, in 2008, the system of annual flat fees generated income which was significantly above the actual costs of the services rendered. It therefore calls upon the Agency to put forward, as a matter of urgency, a detailed plan to guarantee that this does not recur in future years;
- **carryover of appropriations:** Parliament draws attention to the fact that the Agency carried forward to 2009 a high level of appropriations for operating expenditure (more than EUR 53 million, which is 79% of the operating appropriations). It stresses also that this situation reveals weaknesses in the enterprise resource planning system and therefore calls for much more realistic forecasts to be presented to the Commission and Parliament. It notes that the Agency maintained very high cash reserves (amounting to EUR 57.245 million) and calls for the level of these cash holdings to be kept as low as possible. It notes that, furthermore, 15% of staff-related expenditure was transferred to operating expenditure, which indicates unrealistic planning;
- **other improvements to be made by the Agency:** Parliament calls specifically on the Agency to improve its recruitment planning so as to be more realistic and to put an end to the shortcomings affecting the establishment of the budget and the monitoring of the enterprise resource planning system;
- **internal audit:** lastly, Parliament calls on the Agency to implement the recommendations made by the Internal Audit Service (IAS) in order to tackle, in particular, the problems of budgetary uncertainty.

Noting that the Agency's annual accounts for the financial year 2008 are reliable, and the underlying transactions are legal and regular, Parliament approves the closure of the Centre's accounts. However, it makes a number of recommendations that need to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on financial management and control of EU agencies (see 2010/2007(INI) adopted in parallel).

2008 discharge: European Aviation Safety Agency EASA

2009/2122(DEC) - 05/05/2010 - Final act

PURPOSE: to grant discharge to the European Aviation Safety Agency for the financial year 2008.

LEGISLATIVE ACT: Decision 2010/516/EU of the European Parliament on the discharge for the implementation of the budget of the European Aviation Safety Agency for the financial year 2008.

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 2008.

This decision is in line with the European Parliament's resolution adopted on 5 May 2010 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 5 May 2010).

A parallel Decision, adopted on the same day, approves the closure of the accounts of this EU agency.

2008 discharge: European Aviation Safety Agency EASA

2009/2122(DEC) - 23/07/2009 - Non-legislative basic document

PURPOSE: to present the final accounts of the European Aviation Safety Agency for the financial year 2008.

CONTENT: this document sets out a detailed account of the implementation of the European Aviation Safety Agency's budget for the financial year 2008. It notes that the final budget amounted to EUR 100.9 million, including EUR 67.2 million of revenue from fees and charges (67%), EUR 30 million from Community subsidy (30%) as well as a contribution from EFTA and Switzerland of EUR 1.4 million.

As regards the staffing policy, the Agency, whose head office is now based in Cologne (Germany), set out a total of 452 temporary members of staff in the establishment plan. 403 of these posts are currently occupied with 39 other posts (seconded national experts, special advisor contract and auxiliary staff).

In 2008, the Agency's main activities focused on the following:

Opinions: 6 Opinions for amendments to Regulations (EC) No 216/2008, (EC) No 1702/2003 and (EC) No 2042/2003.

Rulemaking Decisions: 11 Decisions related to certification: Specifications and Acceptable Means of Compliance and Guidance Material.

International Cooperation

- 18 Working Arrangements with Administration of Civil Aviation of China, General Authority of Civil Aviation of Saudi Arabia, Civil Aviation Authority of Singapore and the Australian Civil Aviation Safety Authority.
- 1 Modification to the Working Arrangement between Japanese Civil Aviation Bureau and EASA.
- 2 Implementing Procedures to the Working Arrangement between Interstate Aviation Committee and EASA.
- 1 Implementing Procedure to the Working Arrangement between the General Civil Aviation Authority of the United Arab Emirates and EASA.
- 1 Memorandum of Understanding with Civil Aviation Authority of Pakistan.

Certification decisions at 31 December 2008

- Type Certificates: 8
- Supplemental type certificates: 764
- Airworthiness directives: 216
- Alternative Method of Compliance: 84
- European Technical Standard Order Authorisation: 281
- Major changes: 932
- Minor changes: 2 241
- Major repairs: 82
- Minor repairs: 148
- Aircraft flight manual: 468
- Approval of flight conditions: 296
- Approval of Design organisations: 509
- Approval of Maintenance organisations (bilateral): 1 372
- Approval of Maintenance organisations (foreign): 233
- Approval of Maintenance training organisations: 28
- Approval of Manufacturing: 20

Standardisation inspections (number of countries by type) at 31 December 2008

- In the field of Maintenance (CAW): 27
- In the field of Production (IAW): 12

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

2008 discharge: European Aviation Safety Agency EASA

2009/2122(DEC) - 08/10/2009

PURPOSE: to present the report of the Court of Auditors on the 2008 accounts of the European Aviation Safety Agency (EASA).

CONTENT: in the Court's opinion, the Agency's Annual Accounts present fairly, in all material respects, its financial position as of 31 December 2008 and the results of its operations and its cash flows for the year then ended. The transactions underlying the annual accounts of the Agency for the financial year ended are, in all material respects, legal and regular.

The Court of Auditor's report includes a detailed section on the European Aviation Safety Agency's expenditure and an analysis of the expenditure, as well as the Agency's replies.

- **The Court's analysis of the accounts**: in its report, the Court makes a number of observations, particularly with regard to budgetary and financial management. It notes that a high level of appropriations was carried forward to 2009 (over EUR 53 million which is at odds with the principle of annuality. It also notes that in its first amending budget the Agency transferred about EUR 6.6 million (15%) of staff-related expenditure to operating expenditure in order to finance additional costs for the enterprise resource planning system (EUR 4.3 million) and the increased cost for outsourced certification activities. The significant level of transfers of staff appropriations to operating expenditure indicates unrealistic recruitment planning as well as shortcomings in the budgeting and the monitoring of the enterprise resource planning system. The 2008 economic outturn for certification tasks amounted to almost EUR 10 million. This indicates that the system of annual flat fees generated income which is significantly above the actual cost. The Court suggests that the Agency should analyse this development and establish a monitoring system at the level of certification projects to make sure that, over the entire project duration, the fees levied do not deviate significantly from the actual cost. Lastly, the Court states that the Agency's 2008 work programme lists for each main activity the planned actions, priority objectives and indicators. Actions are often neither described in such a way as to be measurable nor are they clearly linked to objectives. This situation makes it difficult to identify shortfalls and to monitor progress at all levels of activity. The Agency should define precise and measurable objectives together with relevant performance indicators and promote the achieving of results.
- **The Agency's replies**: the majority of the commitments and appropriations carried forward, which are inherent to the Agency's business cycle, correspond to advance payments received from applicants and late invoicing by the National Aviation Authorities. The commitments carried forward relating to the implementation of the enterprise resource planning system (ERP) resulted from a delay in signing the contract for the service. The transfer was due to the higher than expected difficulty in recruiting staff with specific expertise which has slowed down the process of the internalisation of certification tasks, a number of resignations and a high number of internal applicants who succeeded in external recruitment processes (approx. 25) opened in 2008. The Agency states that this is the first full year of implementation of certification tasks under the new fees and charges regulation. It is continuing to perform in-depth analysis on the objective reasons explaining such a surplus, for example a high amount of overtime for Certification work which was not considered as a cost in the accounting system. This analysis will form the basis of the eventual review of the charging system with the Commission and the Industry. The Agency is in the process of attaining certification against the ISO9001:2008 system and part of which is the development of objectives and key performance indicators (KPIs), the quality of which has been improved in the 2010 work programme.

2008 discharge: European Aviation Safety Agency EASA

2009/2122(DEC) - 01/02/2010

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 2008, 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 2008.

The Council welcomes the Court's opinion that, on the one hand, the Agency's annual accounts present fairly, in all material aspects, the financial position as at 31 December 2008 and the results of operations and cash-flows for the year then ended, in accordance with the provisions of the Agency's Financial Regulation, and that, on the other hand, the underlying transactions for the financial year ended on 31 December 2008 are, in all material respects, legal and regular.

However, the Council considers that observations made in the Court of Auditor's report call for a certain number of observations to be taken into account when granting discharge, particularly on the following points:

- **planning and budgetary management**: the Council shares the Court's view that the significant level of staff appropriations transferred to operational expenditure indicates, on the one hand, unrealistic recruitment planning and, on the other hand, shortcomings in the budgeting and the monitoring of key Agency activities, such as the implementation of the enterprise resource planning system. The increasingly high carry-over rate confirms this analysis. Therefore, it calls for the need to take urgent measures aimed at further improving the Agency's budgetary, financial and human resources management;
- **management and evaluation of resources**: while acknowledging that 2008 was the first full year of implementation of certification tasks under the new fees and charges regulation, the Council is concerned about the significant surplus resulting from the application of the current annual flat fees. It therefore encourages the Agency to continue its analysis of the resources actually required by the certification work and to take the necessary steps in order to ensure that the charging system does not deviate significantly from the actual cost.
- **work programme and performance indicators**: the Council encourages the Agency to make best possible use of the key performance indicators, which have been recently improved, in order to define more precise and robust work programmes, setting clearly interlinked and measurable actions and objectives.