Basic information

2011/2224(DEC) DEC - Discharge procedure	Procedure completed
2010 discharge: European Aviation Safety Agency (EASA) **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	MACOVEI Monica (PPE)	03/03/2011
	Shadow rapporteur HERCZOG Edit (S&D) GERBRANDY Gerben-Jan (ALDE) STAES Bart (Verts/ALE) CZARNECKI Ryszard (ECR) SØNDERGAARD Søren Bo (GUE/NGL) ANDREASEN Marta (EFD) EHRENHAUSER Martin (NI)	

Committee for opinion	Rapporteur for opinion	Appointed
TRAN Transport and Tourism	FLECKENSTEIN Knut (S&D)	11/10/2011

European Commission

Commission DG	Commissioner
Budget	ŠEMETA Algirdas

Key events

Date	Event	Reference	Summary
26/07/2011	Non-legislative basic document published	COM(2011)0473	Summary
12/10/2011	Committee referral announced in Parliament		

27/03/2012	Vote in committee		
11/04/2012	Committee report tabled for plenary	A7-0124/2012	Summary
10/05/2012	Decision by Parliament	T7-0169/2012	Summary
10/05/2012	Results of vote in Parliament		
10/05/2012	Debate in Parliament		
10/05/2012	End of procedure in Parliament		
17/10/2012	Final act published in Official Journal		

Technical information

Procedure reference	2011/2224(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/07246

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE473.988	06/02/2012	
Committee opinion	TRAN	PE476.004	07/02/2012	
Amendments tabled in committee		PE483.623	07/03/2012	
Committee report tabled for plenary, single reading		A7-0124/2012	11/04/2012	Summary
Text adopted by Parliament, single reading		T7-0169/2012	10/05/2012	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	06083/2012	08/02/2012	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2011)0473	26/07/2011	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary

CofA	Court of Auditors: opinion, report	N7-0009/2012 OJ C 366 15.12.2011, p. 0021	06/09/2011	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Decision 2012/0570 OJ L 286 17.10.2012, p. 0175	Summary

2010 discharge: European Aviation Safety Agency (EASA)

2011/2224(DEC) - 26/07/2011 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2010, as part of the 2010 discharge procedure.

Analysis of the accounts of the **European Aviation Safety Agency (EASA).**

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2010 as prepared on the basis of the information presented by the institutions, organisations and bodies of the EU, in accordance with Article 129 (2) of the Financial Regulation applicable to the EU's General Budget, including the European Aviation Safety Agency (EASA).

In 2010, the tasks and budget of this agency were as follows:

- **description of EASA's tasks**: EASA, which is located in Cologne, was established by Regulation (EC) No 1592/2002 of the European Parliament and of the Council of 15 July 2002. The Agency's tasks are to maintain a high level of civil aviation safety, to ensure the proper development of civil aviation safety, to establish certification specifications and to provide certification of aeronautical products;
- **EASA's budget for the 2010 financial year**: the Agency's 2010 budget amounted to EUR 137 million, compared with EUR 122 million the previous year. The number of staff employed by the Agency at the end of the year was 578 (temporary and contractual), as compared with 509 the previous year.

The complete version of EASA's final accounts may be found at the following address: http://easa.europa.eu/financial-regulation-budget-and-accounts.php

2010 discharge: European Aviation Safety Agency (EASA)

2011/2224(DEC) - 06/09/2011 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Aviation Safety Agency, together with the Agency's reply.

CONTENT: in accordance with the tasks conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, the Court presents to the European Parliament and to the Council, in the context of the discharge procedure, a Statement of Assurance as to the reliability of the annual accounts of each institution, body or agency of the EU, and the legality and regularity of the transactions underlying them, on the basis of an independent external audit.

This audit concerned, amongst others, the annual accounts of the European Aviation Safety Agency (EVSA).

In the Court's opinion, the **Agency's Annual Accounts fairly present, in all material respects, its financial position as of 31 December 2010** and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation.

The Court also considers that the **transactions underlying the annual accounts** of the Agency for the financial year ended 31 December 2010 are, in all material respects, **legal and regular.**

The report confirms that the Agency's 2010 budget amounted to EUR 137 million and that the number of staff employed by the Agency at the end of the year was 578 (temporary and contractual agents.)

The report also makes a series of observations on the budgetary and financial management of the Agency, accompanied by the latter's response. The main observations may be summarised as follows:

The Court's observations:

- **budgetary and financial management**: the Court notes that the Agency manages certification tasks which are partly outsourced to national aviation authorities using erroneous methods of accounting;
- **procurement**: for two large procurement procedures, the evaluation method did not allow tenders offering the best financial bid to achieve the highest price score. This situation put at risk the transparency of the procurement process as well as the principle of sound financial management;
- **recruitment**: with regard to staff selection procedures, there was no evidence that thresholds for being invited to interview or put on the reserve list had been defined before the examination of the applications started. These practices put at risk the transparency of the recruitment procedures.

The Agency's response:

- the Agency recognises the need for continuous improvement and therefore intends to further develop a more appropriate methodology;
- the Agency states that it evaluates the financial offers as objectively as possible. The complexity of the price structures of the relevant markets made it very difficult to foresee all possible interactions among the price components. In practice no negative impact on the outcome is to be reported;
- the Agency supports the remark of the Court but reserves its right to decide on the reasonable number of candidates to be invited according to their rank of merit.

Lastly, the Court of Auditors' report contains a **summary of the Agency's activities** in 2010. This is focused on the following:

- opinion on draft legislation soon to be adopted;
- decisions related to certification specifications, and acceptable means of compliance;
- additional deliverables in 2010 (leading to Rules in the forthcoming years);
- international cooperation: particularly 8 Working Arrangements with CAAC (China), and further arrangements with Russia, and Japan;
- adoption of certification decisions (airworthiness directives, alternative methods of compliance, European technical standard order authorisation etc.);
- assistance on aircraft flight manuals, approvals of flight conditions; approvals of design organisations);
- standardisation inspections.

2010 discharge: European Aviation Safety Agency (EASA)

2011/2224(DEC) - 08/02/2012

Having examined the revenue and expenditure accounts for the financial year 2010 and the balance sheet at 31 December 2010 of the European Aviation Safety Agency, as well as the Court of Auditors' report on the annual accounts of the Agency for the financial year 2010, accompanied by the Agency's replies to the Court's observations, 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 2010.

However, the Council considers that observations made in the Court of Auditor's report call for a certain number of remarks:

- the Council welcomes the Court's opinion that, in all material respects, the Agency's annual accounts fairly present the financial position as at 31 December 2010 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 the underlying transactions for that financial year are legal and regular;
- with respect to the method applied by the Agency for the estimation of its accrued expenditure, the Council shares the Court's view on the need to apply a methodology that takes into account historical data and therefore **complies with the accruals accounting principle**;
- in light of the Court's finding related to procurement procedures, the Council urges the Agency to take the necessary measures to **prevent situations putting at risk the transparency of its procurement processes and the budgetary principle of sound financial management**;
- the Council invites the Agency to correct the weaknesses indentified in its staff selection procedures, stressing the importance of **transparency during the recruitment process**.

2010 discharge: European Aviation Safety Agency (EASA)

2011/2224(DEC) - 11/04/2012 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Monica Luisa MACOVEI (EPP, RO) on discharge to be granted to the Executive Director of the European Aviation Safety Agency discharge in respect of the implementation of the Agency's budget for the financial year 2010.

Noting the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the European Aviation Safety Agency for the financial year 2010 are reliable and that the underlying transactions are legal and regular, Members approve the closure of the Agency's accounts. However, they make 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 performance, financial management and control of EU agencies:

- **Budget and Financial Management**: Members call on the Agency to further take adequate measures in order to avoid deficiencies that put at risk the transparency of the procurement process as well as the principle of sound financial management;
- **Procurement procedure**: Members notes that 23 high value tendering procedures covering both operational and administrative needs were managed throughout 2010. They note that for two large procurement procedures, the evaluation method did not allow tenders offering the best financial bid to achieve the highest price score. They call on the Agency to further take adequate measures in order to avoid deficiencies that put at risk the transparency of the procurement process as well as the principle of sound financial management;
- **Human resources**: Members note, once more, the discharge authority found deficiencies in staff selection procedures which put at risk the transparency of these procedures. They acknowledge from the Court of Auditors that there was no evidence that thresholds for being invited to interview or being put on the reserve list had been defined before the examination of the applications started. They note that this could be to cover up a situation of nepotism or conflict of interest and ask that everything be done in order to avoid conflicts of interest. They call on the Commission to ensure that the Agency applies Union rules correctly. Members stress that the impact of these deficiencies is even more crucial when considering that the objectives of the Agency are as follows: issuing certification specifications, taking decisions regarding airworthiness and environmental certification and conducting standardisation inspections of the competent authorities in the Member States. They remind the Agency of the importance of ensuring adequate training and qualification criteria for inspection teams and team leaders;
- **Conflict of interest**: Members note that the Agency's technical staff members need to be commonly recruited from national aviation authorities and the aviation industry. They understand that the staff members must have sufficient and up-to-date technical experience of working in the field of aviation to perform a technical check of documents demonstrating compliance for the purposes of ensuring an adequate level of aviation safety as requested by the applicable Union legislation. They are concerned however that **this situation could cause conflicts of interest** if a staff member recruited from an aircraft manufacturer works and takes decisions at the Agency on the certification of the aircraft he /she used to work on while employed by the manufacturer and, if not detected and adequately managed, could result in a conflict of interest situation. Members state that the Agency is in the process of setting up an Agency-wide policy in the area of codes of conduct including identification, prevention, monitoring and dealing with the consequences of potential conflict of interest cases which will help the Agency to further improve the identification and handling of conflict of interests situations in such a way that aviation safety is not put at risk at any time. They call on the Agency to take duly into consideration the professional background of its staff members in order to avoid any conflict of interest and consider that the Agency's conflicts of interest policy should set out to which extent and under which conditions an Agency employee can be involved in the certification of an aircraft on which they worked prior to joining the Agency. Moreover, they call on the Agency to adopt effective processes that duly address potential cases of allegations of conflicts of interest within the Agency and call on the Agency to publish on its website the declaration of interests and professional background of its experts, management staff, Management Board members and of any other persons whose activities are related to the certification process;
- **Standardisation inspections process**: Members call on the Agency to further improve the documentation of inspection planning and inspection programming. They remind the Agency of the importance of documenting the risk assessment and criteria used when establishing its inspection planning in order to justify its internal decision-making process for cases presenting significant deficiencies affecting Union citizens' safety;
- **Internal audit**: Members acknowledge that several "very important" recommendations from the Internal Audit Service (IAS) aimed at reducing outstanding risks to the Agency are still open and are currently under review by the IAS. The Agency is called upon to improve this situation.

2010 discharge: European Aviation Safety Agency (EASA)

2011/2224(DEC) - 10/05/2012 - Text adopted by Parliament, single reading

The European Parliament adopted a decision to grant discharge to the Executive Director of the European Aviation Safety Agency in respect of the implementation of the Agency's budget for the financial year 2010. This decision also approves the closure of the Agency's accounts.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Agency for the financial year 2010 are reliable and that the underlying transactions are legal and regular, Parliament adopted a resolution containing a series 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 performance, financial management and control of EU agencies.

These recommendations may be summarised as follows:

- **Budget and Financial Management**: Members recall that two-thirds of the Agency's budget comes from fees and charges paid by the industry, one third comes from Union subsidies, and the initial Union contribution to the Agency for 2010 amounted to EUR 32 879 000;
- **Procurement procedure**: Parliament notes that 23 high value tendering procedures covering both operational and administrative needs were managed throughout 2010. It notes that for two large procurement procedures, the evaluation method did not allow tenders offering the best financial bid to achieve the highest price score. It calls on the Agency to further take adequate measures in order to avoid deficiencies that put at risk the transparency of the procurement process as well as the principle of sound financial management;
- **Human resources**: Parliament notes, once more, the discharge authority found deficiencies in staff selection procedures which put at risk the transparency of these procedures. It acknowledges from the Court of Auditors that there was no evidence that thresholds for being invited to interview or being put on the reserve list had been defined before the examination of the applications started. It notes that this could be to cover up a situation of nepotism or conflict of interest and ask that everything be done in order to avoid conflicts of interest. Members call on the Commission to ensure that the Agency applies Union rules correctly. They stress that the impact of these deficiencies is even more crucial when considering that the objectives of the Agency are as follows: issuing certification specifications, taking decisions regarding airworthiness

and environmental certification and conducting standardisation inspections of the competent authorities in the Member States. They remind the Agency of the importance of ensuring adequate training and qualification criteria for inspection teams and team leaders;

- **Conflict of interest**: Parliament notes that the Agency's technical staff members need to be commonly recruited from national aviation authorities and the aviation industry. It understands that the staff members must have sufficient and up-to-date technical experience of working in the field of aviation to perform a technical check of documents demonstrating compliance for the purposes of ensuring an adequate level of aviation safety as requested by the applicable Union legislation. It is concerned however that **this situation could cause conflicts of interest** if a staff member recruited from an aircraft manufacturer works and takes decisions at the Agency on the certification of the aircraft he /she used to work on while employed by the manufacturer and, if not detected and adequately managed, could result in a conflict of interest situation. Members state that the Agency is in the process of setting up an Agency-wide policy in the area of codes of conduct including identification, prevention, monitoring and dealing with the consequences of potential conflict of interest cases which will help the Agency to further improve the identification and handling of conflict of interests situations in such a way that aviation safety is not put at risk at any time. They call on the Agency to take duly into consideration the professional background of its staff members in order to avoid any conflict of interest and consider that the Agency's conflicts of interest policy should **set out to which extent and under which conditions an Agency employee can be involved in the certification of an aircraft on which they worked prior to joining the Agency**. Moreover, they call on the Agency to adopt effective processes that duly address potential cases of allegations of conflicts of interest within the Agency and call on the Agency to publish on its website the declaration of interests and professional background of its experts, management staff, Management Board members and of any other persons whose activities are related to the certification process;

- **Standardisation inspections process**: Parliament calls on the Agency to further improve the documentation of inspection planning and inspection programming. It reminds the Agency of the importance of documenting the risk assessment and criteria used when establishing its inspection planning in order to justify its internal decision-making process for cases presenting significant deficiencies affecting Union citizens' safety;
- **Internal audit**: Parliament acknowledges that several "very important" recommendations from the Internal Audit Service (IAS) aimed at reducing outstanding risks to the Agency are still open and are currently under review by the IAS. The Agency is called upon to improve this situation.

2010 discharge: European Aviation Safety Agency (EASA)

2011/2224(DEC) - 10/05/2012 - Final act

PURPOSE: to grant discharge to the European Aviation Safety Agency (EASA) in respect of the implementation of the Agency's budget for the financial year 2010.

NON-LEGISLATIVE ACT: Decision 2012/570/EU of the European Parliament on discharge in respect of the implementation of the budget of the European Aviation Safety Agency for the financial year 2010.

CONTENT: with the present decision, and in accordance with Article 319 of the Treaty on the Functioning of the European Union, the European Parliament grants discharge to the Executive Director of EASA for the implementation of its budget for the financial year 2010.

This decision is in line with the European Parliament's resolution adopted on 10 May 2012 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 10/05/2012).

A parallel decision, 2012/571/EU, adopted on the same day, approves the closure of this Agency's accounts for the 2010 financial year.