Basic information

2013/2212(DEC) DEC - Discharge procedure	Procedure completed
2012 discharge: European Environment Agency (EEA) **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	SARVAMAA Petri (PPE)	10/10/2013
	Shadow rapporteur KADENBACH Karin (S&D) GERBRANDY Gerben-Jan (ALDE) STAES Bart (Verts/ALE) ANDREASEN Marta (ECR) DE JONG Dennis (GUE/NGL) VANHECKE Frank (EFD) EHRENHAUSER Martin (NI)	

Committee for opinion	Rapporteur for opinion	Appointed
ENVI Environment, Public Health and Food Safety	HAUG Jutta (S&D)	10/10/2013

European Commission

Commission DG	Commissioner
Budget	ŠEMETA Algirdas

Key events

Date	Event	Reference	Summary
26/07/2013	Non-legislative basic document published	COM(2013)0570	Summary
22/10/2013	Committee referral announced in Parliament		

17/03/2014	Vote in committee		
21/03/2014	Committee report tabled for plenary	A7-0235/2014	Summary
02/04/2014	Debate in Parliament		
03/04/2014	Decision by Parliament	T7-0310/2014	Summary
03/04/2014	Results of vote in Parliament		
03/04/2014	End of procedure in Parliament		
05/09/2014	Final act published in Official Journal		

Technical information

Procedure reference	2013/2212(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/13874

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE521.655	24/01/2014	
Committee opinion	ENVI	PE524.565	27/01/2014	
Amendments tabled in committee		PE521.766	26/02/2014	
Committee report tabled for plenary, single reading		A7-0235/2014	21/03/2014	Summary
Text adopted by Parliament, single reading		T7-0310/2014	03/04/2014	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	05849/2014	05/02/2014	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2013)0570	26/07/2013	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary

CofA	Court of Auditors: opinion, report	N7-0021/2014 OJ C 365 13.12.2013, p. 0106	10/09/2013	Summary

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

Final act	
Budget 2014/0579 OJ L 266 05.09.2014, p. 0206	Summary

2012 discharge: European Environment Agency (EEA)

2013/2212(DEC) - 03/04/2014 - Text adopted by Parliament, single reading

The European Parliament adopted a decision concerning the discharge to be granted to the Executive Director of the European Environment Agency (EEA) in respect of the implementation of the Agency's budget for the financial year 2012. The vote on the discharge decision approved the closure of the accounts (in accordance with Annex VI, Article 5(1) of the Rules of Procedure of the European Parliament.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Agency for the financial year 2012 are reliable, and that the underlying transactions are legal and regular, Parliament adopted by 503 votes to 70, with 17 abstentions, a resolution containing a series of recommendations that form an integral part of the discharge decision and as well as the general recommendations that appear in the draft resolution on performance, financial management and control of EU agencies.

These recommendations are summarised as follows:

- **Budget and financial management**: Parliament noted that budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 99.19% and that the payment appropriations execution rate was 89.41%. It regretted that for the year 2012, the mission expenses of the Executive Director of the Agency were remarkably higher than those of the executive directors of other agencies. It called on the Agency to provide further explanation for this situation to the discharge authority in the framework of the 2012 discharge follow-up.
- **Prevention and management of conflicts of interests and transparency**: Parliament stated that the Agency will carry out an assessment to identify its degree of exposure with a view to strengthening or supplementing its policy on the management and prevention of conflicts of interests and with a view to assessing its implementation, monitoring and reporting during the first quarter of 2014 on the basis of the Commission's Guidelines on the matter. It noted that the Agency has revised its policy for dealing with potential conflicts of interest. Respective details are part of the obligations of the Agency's officials and other servants under the Staff Regulations and Conditions for Employment. This information should be clearly presented on the Agency's website.
- **Performance**: Parliament requested that the Agency communicate the results and impact its work has on European citizens in an accessible way, mainly through its website.

Lastly, it made a series of observations on transfers, procurement and recruitment procedures as well as comments on internal controls.

2012 discharge: European Environment Agency (EEA)

2013/2212(DEC) - 26/07/2013 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2012, as part of the 2012 discharge procedure.

Analysis of the accounts of the **European Environment Agency (EEA)**.

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2012 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 Environment Agency (EEA).

In 2012, the tasks and budget of this agency were as follows:

- **description of the Agency's tasks**: the European Environment Agency, which is located in Copenhagen, was established by Council Regulation (EEC) No 1210/90. It is responsible for setting up an observation network to provide the Commission, the Parliament, the Member States and, more generally, the public with reliable information on the state of the environment. This information should, in particular, enable the European Union and the Member States to take action to safeguard the environment and assess the effectiveness of such action. Its main task is to report on the quality of and pressures on the environment within the territory of the Union;
- **the Agency's budget for the financial year 2012**: the Agency's budget for 2012, as presented in the Commission document on the consolidated annual accounts of the European Union, gives the following figures:

  § **Commitment appropriations** :

  - **committed** : EUR 69 million;

  - **paid** : EUR 52 million;

  - **carried-over** : EUR 16 million.

  § **Payment appropriations** :

  - **committed** : EUR 73 million;

  - **paid** : EUR 45 million;

  - **carried-over** : EUR 27 million.

Please refer also to the final accounts of the EEA.

2012 discharge: European Environment Agency (EEA)

2013/2212(DEC) - 10/09/2013 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2012, 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 Environment Agency (EEA).

In the Court's opinion, the **Agency's Annual Accounts fairly present, in all material respects, its financial position as of 31 December 2012** and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its financial rules and the accounting rules adopted by the Commission's accounting officer.

The Court also considers that the **transactions underlying the annual accounts** of the Agency for the financial year ended 31 December 2012 are, in all material respects, **legal and regular**.

The report confirms that the resources made available to the Agency in 2012 amounted to EUR 41.7 million.

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:

- internal controls: in 2012, the Agency awarded grants under three major grant programmes to consortia consisting of environmental institutions and bodies in Europe, UN organisations and national environment organisations. Total grant expenditure in 2012 was EUR 11.9 million, representing 27% of the total operating expenditure. The Agency's ex ante verifications before reimbursement of costs claimed by beneficiaries consist of a desk analysis of cost claims. It does not usually obtain from beneficiaries any document to substantiate the eligibility and accuracy of the staff costs claimed, which represent the main part of costs. Ex ante on-the-spot verifications of costs at beneficiary level are rare. Existing controls therefore provide only limited assurance to the Agency's management as to the eligibility and accuracy of the costs claimed by beneficiaries. Improvements in this area are necessary.

The Agency's replies:

- audits: the Agency states that over the past decades, the EEA has accumulated a vast experience in dealing with grant agreements and the cost structure of especially the European Topic Centres. Hence, there is a solid basis upon which cost statements (including staff costs) are evaluated. However, we acknowledge the European Court of Auditors' observation and, based upon a further risk analysis, an action plan has been drawn up to ensure reasonable assurance. The call for proposals launched in 2013 includes a revised framework partnership agreement in which contractual provisions have been updated. The EEA has decided to increase the number of on-the-spot verifications in line with the Court of Auditors' recommendation.

Lastly, the Court of Auditors' report contains a summary of the **Agency's activities in 2012**. This is focused on the following:

- production of press releases;
- data sets;
- promotional material;
- corporate documents and reports;
- pan-European assessments;
- the state of the Environment report (SOER 2010).

2012 discharge: European Environment Agency (EEA)

2013/2212(DEC) - 05/02/2014

Having examined the revenue and expenditure accounts for the financial year 2012 and the balance sheet at 31 December 2012 of the European Environment Agency, as well as the Court of Auditors' report on the annual accounts of the Agency for the financial year 2012, accompanied by the Agency's replies to the Court's observations, the Council recommends the European Parliament to give a discharge to the Director of the Agency in respect of the implementation of the budget for the financial year 2012.

The observations in the Court of Auditors' report call for certain comments by the Council which can be summarised as follows:

- in general, the Council welcomes the Court's opinion that, in all material respects, the Agency's annual accounts present fairly its financial position as at 31 December 2012 and the results of its operations and its 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.
- **Controls**: notwithstanding this favourable finding, the Council encourages the Agency to strengthen its ex-ante verifications of grant applications and to base them not only on desk checks of the beneficiaries' cost statements, but also on **supporting documentation** to be submitted by the beneficiaries for substantiating the eligibility and accuracy of the claimed costs, as well as on a reasonable sample of on-the-spot verifications at beneficiary level, in order to increase the assurance provided by the verification process.

2012 discharge: European Environment Agency (EEA)

2013/2212(DEC) - 21/03/2014 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Petri SARVAMAA (EPP, FI) in which it recommended the European Parliament to grant discharge to the Executive Director of the European Environment Agency in respect of the implementation of the Agency's budget for the financial year 2012.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Agency for the financial year 2012 are reliable, and that the underlying transactions are legal and regular, Members approved the closure of the Agency's accounts. They made, however, a number of recommendations that needed 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 noted that budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 99.19% and that the payment appropriations execution rate was 89.41%. They regretted that for the year 2012, the mission expenses of the Executive Director of the Agency were remarkably higher than those of the executive directors of other agencies. They called on the Agency to provide further explanation for this situation to the discharge authority in the framework of the 2012 discharge follow-up.
- **Prevention and management of conflicts of interests and transparency**: they stated that the Agency will carry out an assessment to identify its degree of exposure with a view to strengthening or supplementing its policy on the management and prevention of conflicts of interests and with a view to assessing its implementation, monitoring and reporting during the first quarter of 2014 on the basis of the Commission's Guidelines on the matter. They noted that the Agency has revised its policy for dealing with potential conflicts of interest. Respective details are part of the obligations of the Agency's officials and other servants under the Staff Regulations and Conditions for Employment. This information should be clearly presented on the Agency's website.

Lastly, Members also made a series of observations on transfers, procurement and recruitment procedures as well as comments on internal controls.

2012 discharge: European Environment Agency (EEA)

2013/2212(DEC) - 03/04/2014 - Final act

PURPOSE: to grant discharge to the European Environment Agency (EEA) for the financial year 2012.

NON-LEGISLATIVE ACT: Decision 2014/579/EU of the European Parliament on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2012.

CONTENT: with this Decision, the European Parliament gives discharge to the Executive Director of the European Environment Agency for the implementation of the Agency's budget for 2012.

The Decision is in line with the European Parliament's resolution adopted on 3 April 2014 and includes a series of observations that form an integral part of the discharge decision (refer to the summary of the opinion of 3 April 2014).

Amongst the main observations made, Parliament noted the **problems regarding internal controls** and noted that while the Agency's ex ante verifications before reimbursement of costs claimed by beneficiaries consist of a desk analysis of cost claims, it does not usually obtain any document from beneficiaries to substantiate the eligibility and accuracy of the staff costs claim. This issue should be resolved.