Basic information

2014/2114(DEC) DEC - Discharge procedure	Procedure completed
2013 discharge: European GNSS Agency (GSA) **Subject** 8.70.03.03 2013 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	CZARNECKI Ryszard (ECR)	09/10/2014
	Shadow rapporteur ZDECHOVSKÝ Tomáš (PPE) VAUGHAN Derek (S&D) ALI Nedzhmi (ALDE) DE JONG Dennis (GUE/NGL) JÁVOR Benedek (Verts/ALE) VALLI Marco (EFDD)	

Committee for opinion	Rapporteur for opinion	Appointed
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	

European Commission

Commission DG	Commissioner
Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
30/07/2014	Non-legislative basic document published	COM(2014)0510	Summary
20/10/2014	Committee referral announced in Parliament		
23/03/2015	Vote in committee		
30/03/2015	Committee report tabled for plenary	A8-0095/2015	Summary

28/04/2015	Debate in Parliament		
29/04/2015	Decision by Parliament	T8-0162/2015	Summary
29/04/2015	Results of vote in Parliament		
29/04/2015	End of procedure in Parliament		
30/09/2015	Final act published in Official Journal		

Technical information

Procedure reference	2014/2114(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/01560

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE539.699	30/01/2015	
Amendments tabled in committee		PE539.753	06/03/2015	
Committee report tabled for plenary, single reading		A8-0095/2015	30/03/2015	Summary
Text adopted by Parliament, single reading		T8-0162/2015	29/04/2015	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	05304/2015	30/01/2015	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2014)0510	30/07/2014	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0100/2014 OJ C 442 10.12.2014, p. 0318	16/09/2014	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act	
Budget 2015/1693 OJ L 255 30.09.2015, p. 0364	Summary

2013 discharge: European GNSS Agency (GSA)

2014/2114(DEC) - 29/04/2015 - Final act

PURPOSE: to grant discharge to the European GNSS Agency in respect of the Agency's budget for the financial year 2013.

NON LEGISLATIVE ACT: Decision (EU) 2015/1693 of the European Parliament on discharge in respect of the implementation of the budget of the European GNSS Agency for the financial year 2013.

CONTENT: with the present decision, the European Parliament grants discharge to the Executive Director of the European GNSS Agency for the implementation of its budget for the financial year 2013.

This decision is in line with the European Parliament's resolution adopted on 29 April 2015 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 29 April 2015).

Amongst Parliament's main observations was a request that the Agency improve the **transparency of its recruitment procedures**.

2013 discharge: European GNSS Agency (GSA)

2014/2114(DEC) - 29/04/2015 - Text adopted by Parliament, single reading

The European Parliament adopted by 558 votes to 127, with 5 abstentions, a decision to grant discharge to the Executive Director of the European GNSS Agency for the financial year 2013. 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 Authority for the financial year 2013 are reliable, and that the underlying transactions are legal and regular, Parliament adopted by 567 votes to 99, with 11 abstentions, a resolution containing a number of recommendations that form an integral part of the discharge decision and as well as the general recommendations that appear in the resolution on performance, financial management and control of EU agencies:

- **Agency's financial statements**: Parliament noted that the final budget of the Agency for the financial year 2013 was EUR 80 449 967, representing a decrease of 23.76% compared to 2012. The overall contribution of the Union to the budget of the Office for 2013 amounted to EUR 13 973 518, being an increase of 9.69% compared to 2012.
- **Commitments and carry-overs**: Parliament noted that budget monitoring efforts during the financial year 2013 resulted in a budget implementation rate of 100% and that the payment appropriations execution rate was 80.53%. It observed, however, that the level of committed appropriations carried over was high for administrative expenditure (amounting to 52%). It stressed, furthermore, that some EUR 400 000 related to services supplied but not invoiced in 2013. In general, Parliament expressed disappointment about the poor management that resulted in a very high rate of carry-over appropriations.

Parliament also made a series of observations on transfers, procurement procedures, recruitment and internal audit.

It went on to make certain comments regarding the **legality and regularity of the Agency's operations.** The latter was in charge of organising and managing the exploitation of the European Geostationary Navigation Overlay Service (EGNOS). On the basis of a delegation agreement with the Commission, the Agency signed in 2013 a contract for the exploitation of EGNOS for 2014-2021, and for EUR 588 000 000. In this respect, Parliament was concerned that although the competiveness of the procedure was not called into question by the Court, an **eligibility criterion excluding applications from consortia** applied in the first phase of the procurement procedure **was not in accordance with the rules on implementation of the Financial Regulation**.

Lastly, Parliament called upon the Agency to adopt a policy of **prevention and management of conflicts of interests** as a matter of urgency and to develop and implement comprehensive independence policies and procedures.

2013 discharge: European GNSS Agency (GSA)

2014/2114(DEC) - 30/03/2015 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Ryszard CZARNECKI (ECR, PL) on discharge in respect of the implementation of the budget of the **European GNSS Agency** for the financial year 2013.

It called on the European Parliament to grant the Executive Director of the Agency discharge in respect of the implementation of the Agency's budget for the financial year 2013.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Agency for the financial year 2013 are reliable, and that the underlying transactions are legal and regular, Members called on the Parliament to approve 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.

- **Agency's financial statements**: Members noted that the final budget of the Agency for the financial year 2013 was EUR 80 449 967, representing an increase of 23.76% compared to 2012. The overall contribution of the Union to the budget of the Office for 2013 amounted to EUR 13 973 518, being an increase of 9.69% compared to 2012.

- **Commitments and carry-overs**: Members noted that budget monitoring efforts during the financial year 2013 resulted in a budget implementation rate of 100% and that the payment appropriations execution rate was 80.53%. They observed, however, that the level of committed appropriations carried over was high for administrative expenditure, amounting to 52 %. They stressed, furthermore, that some EUR 400 000 related to services supplied but not invoiced in 2013.

Members also made a series of observations on transfers, procurement procedures, recruitment and internal audit.

They went on to make certain comments regarding the **legality and regularity of the Agency's operations.** The latter was in charge of organising and managing the exploitation of the European Geostationary Navigation Overlay Service (EGNOS). On the basis of a delegation agreement with the Commission, the Agency signed in 2013 a contract for the exploitation of EGNOS for 2014-2021, and for EUR 588 000 000. Members were concerned that although the competiveness of the procedure was not called into question by the Court, an **eligibility criterion applied in the first phase of the procurement procedure excluding applications from consortia was not in accordance with the rules** on implementation of the Financial Regulation.

Lastly, the committee called upon the Agency to adopt **a policy of prevention and management of conflicts of interests** as a matter of urgency and to develop and implement comprehensive independence policies and procedures.

2013 discharge: European GNSS Agency (GSA)

2014/2114(DEC) - 30/01/2015

Having examined the revenue and expenditure accounts for the financial year 2013 and the balance sheet at 31 December 2013 of the European GNSS Agency, as well as the Court of Auditors' report on the annual accounts of the Agency for the financial year 2013, 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 2013

The Council welcomes the Court's opinion that, in all material respects, the Agency's annual accounts present fairly the financial position as at 31 December 2013 and the results of operations and cash flows for 2013, in accordance with the provisions of the Agency's Financial Regulation and the accounting rules adopted by the Commission's accounting officer, and that the underlying transactions for 2013 are legal and regular.

Nevertheless, the Council has made some observations. They may be summarised as follows:

- **carry-overs**: the Council reiterates last year's comment, calling upon the Agency to improve its financial programming and monitoring of the budget implementation in order to reduce the level of commitments carried over to the next financial year to the strict minimum;
- **procurement**: the Council, invites the Agency to ensure compliance with public procurement procedures, including the related provisions of the implementing rules under the Financial Regulation.

2013 discharge: European GNSS Agency (GSA)

2014/2114(DEC) - 16/09/2014 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European GNSS Agency for the year 2013, together with the Agency's reply (GSA).

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 GNSS Agency (GSA).

Statement of assurance: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the Agency, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2013;
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Court's opinion, the Agency's annual accounts present fairly, in all material respects, its financial position as at 31 December 2013 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer.

Opinion on the legality and regularity of the transactions underlying the accounts: in the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2013 are legal and regular in all material respects.

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:

- **legality and regularity of transactions**: the Agency is in charge of organising and managing the exploitation of the European Geostationary Navigation Overlay Service (EGNOS) which is the first pan-European satellite navigation system. On the basis of a delegation agreement with the Commission, the Agency signed a contract for the exploitation of EGNOS for the 2014 to 2021 period for an amount of some EUR 588 million. Although the competiveness of the procedure is not called into question, an eligibility criterion applied in the first phase of the procurement procedure excluding applications from consortia was not in accordance with the rules on implementation of the Financial Regulation;
- **budget management**: in 2013, carry-overs of committed appropriations were high for administrative expenditure at 52%. This is mainly due to specific contracts signed at year-end (EUR 900 000), following the late approval of an amending budget in September that provided additional funds to the Agency.

The Agency's reply:

- **legality and regularity of transactions**: the Agency noted that the express exclusion of consortia was in that sense only translating a fact for the sake of transparency. More generally the Agency appreciates the Court's recognition that this exclusion did not affect the conduct of the procedure which de facto achieved effective competition, as demonstrated by the submission of five applications;
- **budgetary management**: the Agency noted that a rather large volume of commitments was made at the end of the year due to the late approval of the amending budget. The amendment was initially planned in March, but not finally adopted until mid-September. The GSA was compelled to put them on hold until the approval of the amending budget and its exact amount was certain. Other carry-overs were largely due to services for the new Galileo Security Monitoring Centre site in France.

Lastly, the Court of Auditors' report contains **a summary of the Agency's activities in 2013**. This is focused on the following:

Budget: EUR 53.3 million consisting of the EU subsidy of EUR 13.9 million, which is the operating subsidy from the Commission, and EUR 39.4 million in operational funds provided by the Commission to perform delegated tasks.

Activities:

- support for the European Commission in the implementation of the EGNOS and Galileo programmes;
- Systems Security (Security Accreditation of the systems and sites, Galileo System specific Security requirements, Flight Key Cell activities);
- support for Public Regulated Service — PRS (Preparation of the PRS User Segment);
- preparatory activities for EGNOS and Galileo exploitation;
- market development activities;
- research/development.

2013 discharge: European GNSS Agency (GSA)

2014/2114(DEC) - 30/07/2014 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2013, as part of the 2013 discharge procedure.

Analysis of the accounts of the **(GSA)**.

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2013 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 GNSS Agency (GSA).

The document contains the figures on which the discharge procedure is based.

Discharge procedure of the EU agencies: the EU Budget finances a wide range of policies and programmes throughout the EU. In accordance with the priorities set by the European Parliament and the Council in the multi-annual financial framework (MFF), the European Commission carries out specific programmes, activities and projects in the field with the technical support of some specialised agencies.

The consolidated annual accounts of the EU provide information on the activities of the institutions, agencies and other bodies of the EU from a budgetary and accrual accounting perspective.

The consolidated reports on the implementation of the general budget of the EU include the budget implementation of all Institutions. **Agencies do not have a separate budget inside the EU budget**; and they are partially financed by a Commission budget subsidy.

Each agency is subject to its own discharge procedure.

GSA: in 2013, the tasks and budget of this Authority were as follows:

- **description of the Authority's tasks**: the GNSS Supervisory Authority was set up by Council Regulation (EC) No 1321/2004 and its main task is to manage the public interests relating to the European GNSS programmes and to act as the regulatory authority for the programme during the deployment and operational phases of the Galileo Programme. Regulation (EC) No 683/2008 of the European Parliament and the Council reduced the responsibilities of the Authority to the control of the security of Galileo systems and to the preparation of their commercialisation. In 2012, the GSA's headquarters was relocated to Prague, Czech Republic;
- **GNSS' budget for the 2013 financial year**: the Authority's budget for 2013, as presented in the Commission document on the consolidated annual accounts of the European Union, gives the following figures:

  § **Commitment appropriations** :

  - **committed** : EUR 94 million;

  - **paid** : EUR 81 million;

  - **carried-over** : EUR 13 million.

  § **Payment appropriations** :

  - **committed** : EUR 75 million;

  - **paid** : EUR 26 million;

  - **carried-over** : EUR 49 million.

Please refer also to the final accounts of the GSA.