Basic information

2015/2168(DEC) DEC - Discharge procedure	Procedure completed
2014 discharge: European Environment Agency (EEA) **Subject** 8.70.03.04 2014 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	VAUGHAN Derek (S&D)	19/08/2015
	Shadow rapporteur DEUTSCH Tamás (PPE) VISTISEN Anders (ECR) ALI Nedzhmi (ALDE) DE JONG Dennis (GUE/NGL) JÁVOR Benedek (Verts/ALE) VALLI Marco (EFDD) KAPPEL Barbara (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
ENVI Environment, Public Health and Food Safety	LA VIA Giovanni (PPE)	07/10/2015

European Commission

Commission DG	Commissioner
Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
23/07/2015	Non-legislative basic document published	COM(2015)0377	Summary
05/10/2015	Committee referral announced in Parliament		

04/04/2016	Vote in committee		
07/04/2016	Committee report tabled for plenary	A8-0100/2016	Summary
27/04/2016	Debate in Parliament		
28/04/2016	Decision by Parliament	T8-0170/2016	Summary
28/04/2016	Results of vote in Parliament		
28/04/2016	End of procedure in Parliament		
14/09/2016	Final act published in Official Journal		

Technical information

Procedure reference	2015/2168(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/04174

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	ENVI	PE571.773	22/01/2016	
Committee draft report		PE569.748	03/02/2016	
Amendments tabled in committee		PE576.929	04/03/2016	
Committee report tabled for plenary, single reading		A8-0100/2016	07/04/2016	Summary
Text adopted by Parliament, single reading		T8-0170/2016	28/04/2016	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05584/2016	27/01/2016	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2015)0377	23/07/2015	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0131/2015 OJ C 409 09.12.2015, p. 0143	15/09/2015	Summary

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

Final act	
Budget 2016/1516 OJ L 246 14.09.2016, p. 0238	Summary

2014 discharge: European Environment Agency (EEA)

2015/2168(DEC) - 15/09/2015 - 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 2014, 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).

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 2014, and
- 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 2014 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 2014 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 the accounts**: in 2014, the Agency launched a call to procure services to provide IT and Geographic Information Systems (GIS) consultancy services for the implementation of Reference Data Access (RDA) component and for supporting EEA in other Copernicus related activities to the value of EUR 1.7 million. In this regard, clearer tender specifications would have contributed to a more effective and competitive procurement procedure;
- **internal controls**: the Court noted weaknesses for the grant transactions audited;
- **data protection**: the Agency has contracted backup services, including email services, with a cloud services provider using an interinstitutional contract procured by DIGIT. The conditions of the contract do not adequately define the location of the Agency's data. The contractor has reserved the right to transfer the Agency's data outside the geographic area of the European Union without notice, e.g. to address latency issues, routing data may need to be copied to different data centres in different regions.

The Agency's replies:

- **legality and regularity of the accounts**: according to EEA's understanding the principle of transparency has been respected;
- **internal controls**: the Agency stated that it will take account of the comments of the Court when revising the current European Topic Centres or (ETC) verification policy;
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data protection: the EEA considered the residual risks identified as acceptable and adequately addressed by the agreed contractual clauses. The EEA will however undertake periodic reviews of the contract implementation with a view to re-assess the risks and adopt appropriate measures and remedial actions if deemed necessary.

Lastly, the Court of Auditors' report contains a summary of the **Agency's activities in 2014**. This is focused on the following:

Budget: EUR 52.6 million of which the Union subsidy amounts to 80%.

Activities:

- production of press releases;
- data sets;
- indicators;
- publication of reports and promotional material;
- study on the European environment — state and outlook.

2014 discharge: European Environment Agency (EEA)

2015/2168(DEC) - 27/01/2016 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2014 and the balance sheet as at 31 December 2014 of the European Environment Agency (EEA), as well as the Court of Auditors' report on the annual accounts of the Agency for the financial year 2014, accompanied by the Agency's replies to the Court's observations, the Council recommended 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 2014.

The Council welcomed the Court's opinion that, in all material respects, the Agency's annual accounts present fairly its financial position as at 31 December 2014 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 2014 are legal and regular in all material respects.

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

- **public procurement**: the Council invited the Agency to ensure that it implements best practices in its procurement procedures, in particular, as regards clear tender specifications;
- **internal controls**: while welcoming the corrective measures that the Agency has taken or is planning to implement, the Council called upon the Agency to remain vigilant in the application of its internal controls of grants, in particular, to base them solidly on supporting documentation to be submitted by the beneficiaries for substantiating the eligibility and accuracy of the claimed costs, and to strengthen the role of the verifying officer, as well as to ensure that the internal audit capability performs only ex post controls;
- **data protection**: the Council encouraged the Agency to verify that the contractor ensuring its IT backup services implements the guaranteed privileges and immunities of the European Union, in particular the privacy guarantees under Article 7 of the Charter of Fundamental Rights of the European Union.

2014 discharge: European Environment Agency (EEA)

2015/2168(DEC) - 07/04/2016 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Derek VAUGHAN (S&D, UK) on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2014.

The parliamentary committee calls 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 2014.

Noting that the Court of Auditors issued a statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions for the financial year 2014, Members call on 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 note that the EEA's final budget for the financial year 2014 was EUR 52 573 071, representing an increase of 6.70 % compared to 2013; whereas 76.81 % of the Agency's budget derives from the Union budget. This increase is mostly related to operating expenditure for strategic actions.

- **Comments on the legality and regularity of transactions:** Members note that in 2014 the Agency launched a call to procure IT and Geographic Information Systems (GIS) consultancy services for the implementation of the Reference Data Access (RDA) component and for the purpose of supporting the Agency in other Copernicus-related activities.

Members also made a series of observations regarding budgetary and financial management, commitment and carryovers, contract award, recruitment, control and internal audit procedures.

They note that the Agency's anti-fraud strategy was adopted by its Management Board in November 2014, with the aim of ensuring proper handling of **conflict of interest issues** and of developing anti-fraud activities especially through prevention, detection, awareness-raising and closer cooperation with

the European Anti-Fraud Office (OLAF). They takes note that in line with OLAF's "Methodology and guidance for anti-fraud strategies for EU decentralised Agencies", the Agency conducted a fraud risk assessment of its activities based on the estimated likelihood and possible impact of fraud.

They also note that the Agency contracted IT backup services, including email services, with a cloud services provider using an interinstitutional contract provided by the Commission. They take note that the conditions of the contract do not adequately define the location of the Agency's data, which means that there is a **risk that the privileges and immunities of the European Communities, to which the Agency is subject, are not guaranteed**, and that the service provider does not fully respect the privacy guarantees granted by Article 7 of the EU Charter of Fundamental Rights. They acknowledge from the Agency that further to receiving clarifications and guarantees from the service provider, it considers the identified residual risks as acceptable and adequately addressed by the agreed contractual clauses. Lastly, they note that the Agency will nevertheless undertake periodic reviews of the contract implementation with a view to re-assessing the risks and adopting appropriate measures and remedial actions if deemed necessary.

2014 discharge: European Environment Agency (EEA)

2015/2168(DEC) - 23/07/2015 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2014, as part of the 2014 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 2014 as prepared on the basis of the information presented by the institutions, organisations and bodies of the EU, in accordance with Article 148 (2) of the Financial Regulation applicable to the EU's General Budget, including the European Environment Agency (EEA).

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

On this basis, the Financial Controller of the European Commission ensures the certification of the consolidated accounts as declared by the institutions, agencies and bodies of the European Union.

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.

This document sets out how the Agencies spent and implemented their budget in 2014. Each agency is subject to its own discharge procedure.

EEA: in 2014, 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 (DK), 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;
- **the Agency's budget for the financial year 2014**: the Agency's budget for 2014, as presented in the Commission document on the consolidated annual accounts of the European Union, gives the following figures:

Commitment appropriations :

- **committed** : EUR 66 million;

- **paid** : EUR 69 million;

- **carried-over** : EUR 7 million.

Payment appropriations :

- **committed** : EUR 70 million;

- **paid** : EUR 48 million;

- **carried-over** : EUR 22 million.

Please refer also to the final accounts of the EEA.

2014 discharge: European Environment Agency (EEA)

2015/2168(DEC) - 28/04/2016 - Text adopted by Parliament, single reading

The European Parliament decided to grant discharge to the Executive Director of the European Environment Agency (EEA) in respect of the implementation of the agency's budget for the financial year 2014. The vote on the decision on discharge covers the closure of the accounts (in accordance with Annex V, Article 5 (1)(a) to Parliament's Rules of Procedure.

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2014 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 514 votes to 119 with 6 abstentions, a resolution containing a series of recommendations, which form an integral part of the decision on discharge and which add to the general recommendations set out in the resolution on performance, financial management and control of EU agencies:

- **Agency's financial statements**: Parliament noted that the EEA's final budget for the financial year 2014 was EUR 52 573 071, representing an increase of 6.70 % compared to 2013. 76.81 % of the Agency's budget derives from the Union budget. This increase is mostly related to operating expenditure for strategic actions.
- **Comments on the legality and regularity of transactions**: Parliament noted that in 2014 the Agency launched a call to procure IT and Geographic Information Systems (GIS) consultancy services for the implementation of the Reference Data Access (RDA) component and for the purpose of supporting the Agency in other Copernicus-related activities.

Parliament also made a series of observations regarding budgetary and financial management, commitment and carryovers, contract award, recruitment, control and internal audit procedures.

It noted that the Agency's anti-fraud strategy was adopted by its Management Board in November 2014, with the aim of ensuring proper handling of **conflict of interest issues** and of developing anti-fraud activities especially through prevention, detection, awareness-raising and closer cooperation with the European Anti-Fraud Office (OLAF). It took note that in line with OLAF's "Methodology and guidance for anti-fraud strategies for EU decentralised Agencies", the Agency conducted a fraud risk assessment of its activities based on the estimated likelihood and possible impact of fraud.

Parliament also noted that the Agency contracted IT backup services, including email services, with a cloud services provider using an interinstitutional contract provided by the Commission. It noted that the conditions of the contract do not adequately define the location of the Agency's data, which means that there is a **risk that the privileges and immunities of the European Communities, to which the Agency is subject, are not guaranteed**, and that the service provider does not fully respect the privacy guarantees granted by Article 7 of the EU Charter of Fundamental Rights. It acknowledged from the Agency that further to receiving clarifications and guarantees from the service provider, it considered the identified residual risks as acceptable and adequately addressed by the agreed contractual clauses.

Parliament called for an overall improvement in the prevention of, and the fight against, corruption through a holistic approach, commencing with better public access to documents and more stringent rules on conflicts of interest.

Lastly, it noted that the Agency will nevertheless undertake periodic reviews of the contract implementation with a view to re-assessing the risks and adopting appropriate measures and remedial actions if deemed necessary.

2014 discharge: European Environment Agency (EEA)

2015/2168(DEC) - 28/04/2016 - Final act

PURPOSE: to grant discharge to the European Environment Agency (EEA) for the financial year 2014.

NON-LEGISLATIVE ACT: Decision (EU) 2016/1516 of the European Parliament on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2014.

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 2014.

The Decision is in line with the European Parliament's resolution adopted on 28 April 2016 and includes a series of observations that form an integral part of the discharge decision (refer to the summary of the opinion of 28 April 2016).

Amongst Parliament's main observations in the resolution accompanying the discharge decision, it noted that the Agency contracted IT back-up services, including email services, with a cloud services provider. It is concerned however about data confidentiality (in particular privacy guarantees).

It noted that the Agency will nevertheless undertake periodic reviews with a view to reassessing the risks and adopting appropriate measures and remedial actions if deemed necessary.