Basic information

2016/2180(DEC) DEC - Discharge procedure	Procedure completed
2015 discharge: European GNSS Agency (GSA) **Subject** 8.70.03.05 2015 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	AYALA SENDER Inés (S&D)	05/08/2016
	Shadow rapporteur ZDECHOVSKÝ Tomáš (PPE) FITTO Raffaele (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
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
11/07/2016	Non-legislative basic document published	COM(2016)0475	Summary
04/10/2016	Committee referral announced in Parliament		
22/03/2017	Vote in committee		

31/03/2017	Committee report tabled for plenary	A8-0148/2017	Summary
26/04/2017	Debate in Parliament		
27/04/2017	Decision by Parliament	T8-0187/2017	Summary
27/04/2017	Results of vote in Parliament		
27/04/2017	End of procedure in Parliament		
29/09/2017	Final act published in Official Journal		

Technical information

Procedure reference	2016/2180(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/07490

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE593.864	06/02/2017	
Amendments tabled in committee		PE600.900	07/03/2017	
Committee report tabled for plenary, single reading		A8-0148/2017	31/03/2017	Summary
Text adopted by Parliament, single reading		T8-0187/2017	27/04/2017	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05873/2017	07/02/2017	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2016)0475	11/07/2016	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0139/2016 OJ C 449 01.12.2016, p. 0214	13/09/2016	Summary

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

Final act	
Budget 2017/1726 OJ L 252 29.09.2017, p. 0331	Summary

2015 discharge: European GNSS Agency (GSA)

2016/2180(DEC) - 20/04/2017 - Final act

PURPOSE: to grant discharge to the European GNSS Agency (GSA) in respect of the Agency's budget for the financial year 2015.

NON-LEGISLATIVE ACT: Decision (EU) 2017/1726 of the European Parliament on discharge in respect of the implementation of the budget of the European GNSS Agency for the financial year 2015.

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 2015.

This decision is in line with the European Parliament's resolution adopted on 27 April 2017 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 27 April 2017).

Amongst Parliament's main observations in the resolution accompanying the discharge decision, it called on the Agency to adopt an internal whistleblowing policy in order to foster a culture of transparency and accountability in the workplace.

Parliament noted with satisfaction that in 2015 the Agency overhauled its website, including updating the content, an analysis of user needs and experience, a benchmarking exercise and restructuring of its information architecture.

2015 discharge: European GNSS Agency (GSA)

2016/2180(DEC) - 13/09/2016 - 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 2015, together with the Agency's replies.

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 focused on the annual accounts of the European GNSS Agency (GSA). The GSA officially took over all tasks previously assigned to the GALILEO Joint Undertaking. The Commission entrusted the exploitation of the European Geostationary Navigation Overlay Service (EGNOS) to the Agency through a delegation agreement.

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 2015, 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 2015 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. A comment was made by the Court as regards the last validation of the accounting systems which was performed in 2012. The new accountant plans to perform **the next validation in 2020**.

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 2015 are legal and regular in all material respects.

The report made 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 management**: the Court stated that the Agency's audited budgetary implementation report differs from the level of detail provided by most other agencies. It stated that the level of carry-overs for committed appropriations was high for administrative expenditure at EUR 2.5 million which mainly related to services provided in 2015 for which invoices were not received until 2016;
- **planning**: the Agency's 2015 annual work programme was only adopted in March 2015 and the adoption of its 2014-2020 multi-annual work programme is outstanding. This puts the achievement of the Agency's objectives at risk.

The Agency's reply:

- **budgetary management**: the Agency stated that based on an agreement signed with the Commission, the Agency's accounts and related reports have been prepared by the Commission's accountant. It has made significant efforts to reduce the traditionally high level of carry-overs. Due to the quarterly nature of invoicing of several large contracts, certain high-value invoices relating to 2015 services were only received in 2016. The high level of carry-over therefore allowed forward-looking reprioritisation, while avoiding cancellations;
- **planning**: the Agency observed that all steps at GSA level related to annual work programme preparation and submission were completed timely. Therefore, the GSA continues to work closely with the Commission as a key stakeholder to ensuring the timely adoption of future annual work programmes and the multi-annual work programmes.

Lastly, the Court of Auditors' report also contained a summary of the **Agency's key figures in 2015**:

- **Budget**: EUR 363 million (payment appropriations).
- **Staff**: 139 including officials, temporary and contract staff and seconded national experts.

2015 discharge: European GNSS Agency (GSA)

2016/2180(DEC) - 11/07/2016 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2015, as part of the 2015 discharge procedure.

Analysis of the accounts of the **European Global Navigation Satellite System Agency (GSA)**.

CONTENT: the organisational governance of the EU consists of institutions, agencies and other EU bodies whose expenditure is included in the general budget of the Union.

The EU's operational expenditure of these institutions takes different forms, depending on how the money is paid out and managed.

From 2014 onwards, the Commission classifies its expenditure as follows:

- **Direct management**: the budget is implemented directly by the Commission services.
- **Indirect management**: the Commission confers tasks of implementation of the budget to bodies of EU law or national law, **such as the EU agencies**.
- **Shared management**: under this method of budget implementation tasks are delegated to Member States. About 80 % of the expenditure falls under this management mode covering such areas as agricultural spending and structural actions.

This Commission document concerns the EU's consolidated accounts for the year 2015 and details how spending by the EU institutions and bodies was carried out. The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective.

It is the responsibility of the Commission's Accounting Officer to prepare the EU's consolidated annual accounts and ensure that they present fairly, in all material aspects, the financial position, the result of the operations and the cash flows of the EU institutions and bodies, including the European Global Navigation Satellite System Agency (GSA), with a view to granting discharge.

Discharge procedure: the final step of a budget lifecycle is the discharge of the budget for a given financial year. It represents the political aspect of the external control of budget implementation and is the decision by which the European Parliament, acting on a Council recommendation, "releases" the Commission (and other EU bodies) from its responsibility for management of a given budget by marking the end of that budget's existence. The European Parliament is the discharge authority within the EU.

The discharge procedure may produce three outcomes: (i) the granting; (ii) postponement or; (iii) the refusal of the discharge.

The final discharge report including specific recommendations to the Commission for action is adopted in plenary by the European Parliament and are subject to an annual follow up report in which the Commission outlines the concrete actions it has taken to implement the recommendations made.

Each agency is subject to its own discharge procedure, including the European Global Navigation Satellite System Agency (GSA).

GSA: the Supervisory Authority, whose headquarters are located in Prague (CZ) since 2012, 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.

As regards the Authority's accounts, these are presented in detail in the document on the consolidated annual accounts of the European Union for 2015:

Commitment appropriations:

- **committed**: EUR 1 582 million;
- **paid**: EUR 144 million;
- **carried-over**: EUR 1 438 million.

Payment appropriations:

- **committed**: EUR 616 million;
- **paid**: EUR 211 million;
- **carried-over**: EUR 404 million.

For further details on expenditure, please refer to the final accounts of the GSA.

2015 discharge: European GNSS Agency (GSA)

2016/2180(DEC) - 07/02/2017 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2015 and the balance sheet as at 31 December 2015 of the European GNSS Agency (GSA), as well as the Court of Auditors' report on the annual accounts of the Agency for the financial year 2015, 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 2015.

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 2015 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 2015 are legal and regular in all material respects.

Nevertheless, various observations were made as regards:

- **accounting systems**: the Council called on the Agency to take the necessary action in order to ensure that the validation of its accounting systems is performed in due time;
- **budgetary implementation**: the Agency is called upon to complete its business continuity plans and to revise the level of detail included in its budgetary implementation reports;
- **financial programming**: the Council noted that a high level of commitment appropriations was carried over to 2016. It called on 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 following financial year to the minimum strictly necessary;
- **staff turnover**: the Council encouraged the Agency to pursue its efforts to reduce the level of staff turnover in order to ensure efficiency and continuity in the Agency's work.

2015 discharge: European GNSS Agency (GSA)

2016/2180(DEC) - 31/03/2017 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Inés AYALA SENDER (S&D, ES) on discharge in respect of the implementation of the budget of the European GNSS Agency for the financial year 2015.

The committee 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 2015.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Agency for the financial year 2015 were reliable and that the underlying transactions were legal and regular, Members called 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 noted that the Union subsidy to the final budget of the European GNSS Agency for the financial year 2015 was EUR 27 606 414, representing an increase of 8.82 % compared to 2014.
- **Reliability of the accounts**: Members noted that the move of the Agency to Prague did not result in any changes in the financial circuits, processes and information flow.

- **Budget and financial management**: Members noted that the Agency managed a large amount of delegated budget in 2015 following the signature of three new delegation agreements (EGNOS Exploitation, Galileo Exploitation and Horizon 2020) with the Commission in the course of 2014. They observed that an amendment to the Galileo Exploitation delegation agreement was signed in December 2015, **assigning a further EUR 300 million to the Agency**. A total of EUR 116 067 789 delegated budget was committed in 2015 and EUR 183 108 199 made in payments.

Members also made a series of observations regarding transfers, commitment and carry-overs, the prevention and management of conflicts of interests, procurement and recruitment procedures and internal audits and controls.

Lastly, Members noted that the Agency is a main partner in, and the initiator of, the European Space Expo project that visited Luxembourg, Milan, Oslo, Zagreb, Stockholm, Riga, Ljubljana and Athens in 2015, and welcomed hundreds of thousands of local citizens. Each Expo visit was the result of collaboration with many local actors including local industry, municipalities and academia/

They noted that the **Agency's 2015 annual work programme was adopted only in March 2015** and that the adoption of its 2014 to 2020 multi-annual work programme (MAWP) is outstanding. The late adoption of key planning documents puts the achievement of the Agency's objectives at risk. Members acknowledged that, following the development of further versions of the MAWP and in discussion with the Commission, it was finally decided to include the MAWP as part of the single programming document relating to the period 2017 to 2020.

2015 discharge: European GNSS Agency (GSA)

2016/2180(DEC) - 27/04/2017 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Executive Director of the European GNSS Agency in respect of the implementation of its budget for the financial year 2015.

The vote on the decision on discharge covers the closure of the accounts (in accordance with Annex IV, 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 2015 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 501 votes to 104 with 12 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.

These recommendations may be summarised as follows:

- **Agency's financial statements**: Parliament noted that the Union subsidy to the final budget of the European GNSS Agency for the financial year 2015 was EUR 27 606 414, representing an increase of 8.82 % compared to 2014.
- **Reliability of the accounts**: It noted that, according to the Court's report, the latest validation of the accounting systems was performed in 2012. Since the last local system validation, there have been no changes to local systems and that the move of the Agency to Prague did not result in any changes in the financial circuits, processes and information flow. It observed that the local systems were presented to the Agency's new accountant prior to acceptance of its mission. Although it acknowledged that the risk is currently assessed to be low, Parliament stated that the next validation will be carried out in 2020, or, if there are changes to the systems, in 2018.
- **Budget and financial management**: Parliament noted that the Agency managed a large amount of delegated budget in 2015 following the signature of three new delegation agreements (EGNOS Exploitation, Galileo Exploitation and Horizon 2020) with the Commission in the course of 2014. It observed that an amendment to the Galileo Exploitation delegation agreement was signed in December 2015, **assigning a further EUR 300 million to the Agency**. A total of EUR 116 067 789 delegated budget was committed in 2015 and EUR 183 108 199 made in payments.

Parliament made a series of observations regarding transfers, commitment and carry-overs, the prevention and management of conflicts of interests, procurement and recruitment procedures and internal audits and controls.

Communication: Parliament noted that the Agency is a main partner in, and the initiator of, the European Space Expo project that visited Luxembourg, Milan, Oslo, Zagreb, Stockholm, Riga, Ljubljana and Athens in 2015, and welcomed hundreds of thousands of local citizens. Each Expo visit was the result of collaboration with many local actors including local industry, municipalities and academia.

It noted that the **Agency's 2015 annual work programme was adopted only in March 2015** and that the adoption of its 2014 to 2020 multi-annual work programme (MAWP) is outstanding. The late adoption of key planning documents puts the achievement of the Agency's objectives at risk. It acknowledged that, following the development of further versions of the MAWP and in discussion with the Commission, it was finally decided to include the MAWP as part of the single programming document relating to the period 2017 to 2020.