Basic information

2017/2151(DEC) DEC - Discharge procedure	Procedure completed
2016 discharge: European Environment Agency (EEA) **Subject** 8.70.03.06 2016 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	STAES Bart (Verts/ALE)	14/09/2017
	Shadow rapporteur SARVAMAA Petri (PPE) LIBERADZKI Bogusław (S&D) MARIAS Notis (ECR) ALI Nedzhmi (ALDE) DE JONG Dennis (GUE/NGL) VALLI Marco (EFDD) KAPPEL Barbara (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
ENVI Environment, Public Health and Food Safety	VĂLEAN Adina (PPE)	31/08/2017

European Commission

Commission DG	Commissioner
Budget	OETTINGER Günther

Key events

Date	Event	Reference	Summary
26/06/2017	Non-legislative basic document published	COM(2017)0365	Summary
13/09/2017	Committee referral announced in Parliament		

20/03/2018	Vote in committee		
23/03/2018	Committee report tabled for plenary	A8-0090/2018	Summary
18/04/2018	Decision by Parliament	T8-0144/2018	Summary
18/04/2018	Results of vote in Parliament		
18/04/2018	Debate in Parliament		
18/04/2018	End of procedure in Parliament		
03/10/2018	Final act published in Official Journal		

Technical information

Procedure reference	2017/2151(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/10782

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	ENVI	PE612.237	24/01/2018	
Committee draft report		PE613.461	25/01/2018	
Amendments tabled in committee		PE618.245	02/03/2018	
Committee report tabled for plenary, single reading		A8-0090/2018	23/03/2018	Summary
Text adopted by Parliament, single reading		T8-0144/2018	18/04/2018	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05941/2018	09/02/2018	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2017)0365	26/06/2017	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0022/2018 OJ C 417 06.12.2017, p. 0104	19/09/2017	Summary

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

Final act	
Budget 2018/1370 OJ L 248 03.10.2018, p. 0222	Summary

2016 discharge: European Environment Agency (EEA)

2017/2151(DEC) - 23/03/2018 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Bart STAES (Greens/EFA, BE) on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2016.

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 2016.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Agency for the financial year 2016 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**: the final budget of the European Environment Agency for the financial year 2016 was EUR 50 509 265, representing an increase of 2.75 % compared to 2015. The Agency's budget derives mainly from the Union budget.
- **Budget and financial management**: the budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 99.9 % and that the payment appropriations execution rate was 89.8 %.
- **Commitments and carry-overs**: Members took note that the carry-overs from 2016 to 2017 were at EUR 4 203 111, representing a decrease of EUR 741 628 compared to the previous year (EUR 4 944 739 in 2015). Carry-overs may often be justified and do not necessarily indicate weaknesses in budget planning and implementation.

Members also made a series of observations regarding procurement, staff policy and internal audits and controls.

They stressed that the Commission, in line with the Better Regulation Agenda, initiated in 2016 an evaluation of the Agency and the European Environment Information and Observation Network (EIONET), covering the period between mid-2012 and end-2016, the findings of which will be used to assess how well the Agency is performing.

2016 discharge: European Environment Agency (EEA)

2017/2151(DEC) - 03/10/2018 - Final act

PURPOSE: to grant discharge to the European Environment Agency (EEA) for the financial year 2016.

NON-LEGISLATIVE ACT: Decision (EU) 2018/1370 of the European Parliament on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2016.

CONTENT: the European Parliament decided to **grant discharge** to the Executive Director of the European Environment Agency for the implementation of the latter's budget for 2016.

This decision is accompanied by a resolution of the European Parliament containing the observations which form an integral part of the discharge decision in respect of the implementation of the general budget of the European Union for the financial year 2016 (*please refer to the summary dated 18.4.2018*).

In this resolution, Parliament stressed that the **work-life balance** should be given priority. It observed that the average sick leave amounts to an average of almost three working weeks. It called on the Agency as a matter of urgency to examine this issue with a view to ascertaining and addressing the major causes thereof, and to establish in particular whether **workplace stress** plays any role.

2016 discharge: European Environment Agency (EEA)

2017/2151(DEC) - 19/09/2017 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Environment Agency (EEA) for the financial year 2016, 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 brief, this Agency 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.

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 2016, 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 2016 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 2016 are legal and regular in all material respects.

The report also makes a series of observations on the internal controls 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**: the Court the Agency updated its Security Policy in 2016 but many other internal procedures are outdated. The Agency envisages to review and update its internal control standards, where necessary;
- **financial management**: the Court raised issues concerning the lack of competition regarding a signed framework contract (FWC) to purchase software licences for a total of EUR 442 754.

The Agency's replies:

- **internal controls**: the Agency stated that it maintains a significant number of regularly updated procedures that are made available to all staff via the intranet;
- **financial management**: the Agency stressed that the framework service contract is indeed the result of an inter-institutional procurement procedure carried out by the European Commission. The Agency will enquire to the Commission whether on the basis of the aggregated volume of licenses purchased they could be promoted to the local or corporate category of the framework service contract.

Lastly, the Court of Auditors' report contains a summary of the **Agency's key figures in 2016**:

- **Budget**: EUR 50.5 million.
- **Staff**: 208 including officials, temporary and contract staff and seconded national experts.

2016 discharge: European Environment Agency (EEA)

2017/2151(DEC) - 09/02/2018 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2016 and the balance sheet as at 31 December 2016 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 2016, 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 2016.

The Council welcomed the Court's opinion that the Agency's annual accounts present fairly its financial position as at 31 December 2016 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 2016 are legal and regular in all material respects.

Nevertheless, the following observations were made:

- **internal audits**: the Council welcomed the intention of the Agency and the Commission's internal Audit Service to further improve the processes for preparing the State of the Environment Report. It encouraged the Agency to update its internal control procedures where these are outdated;
- **external contracts**: the Council regretted the application of a framework contract with an intermediary contractor for the purchase and renewal of software licences, despite the fact that the contractor did not have an exclusive right under the framework contract for such sales and that the licences were for products used either only exceptionally or that were offered by one exclusive reseller in Scandinavia. It called on the Agency to ensure the use of the most economical solution for acquiring software licences.

2016 discharge: European Environment Agency (EEA)

2017/2151(DEC) - 18/04/2018 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Executive Director of the European Environment Agency (EEA) in regard to the implementation of the agency's budget for the 2016 financial year and to approve the closure of the accounts for the financial year in question.

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the agency's annual accounts for the financial year 2016 are reliable and that the underlying transactions are **legal and regular**, Parliament adopted by 562 votes to 128 with 4 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:** the final budget of the European Environment Agency for the financial year 2016 was EUR 50 509 265, representing an increase of 2.75 % compared to 2015. The Agency's budget derives mainly from the Union budget.
- **Budget and financial management:** the budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 99.9 % and that the payment appropriations execution rate was 89.8 %.
- **Commitments and carry-overs:** Members took note that the carry-overs from 2016 to 2017 were at EUR 4 203 111, representing a decrease of EUR 741 628 compared to the previous year (EUR 4 944 739 in 2015). Carry-overs may often be justified and do not necessarily indicate weaknesses in budget planning and implementation.

Members also made a series of observations regarding procurement, staff policy and internal audits and controls.

They emphasised the fact that the continuing **staff reduction** poses a risk for the Agency in limiting its capacity to respond to policy developments, underlining that the limitation of staff resources contributed to the lower delivery rate observed in some strategic areas.

With regard to **preventing conflicts of interest**, Parliament welcomed the implementation of agency's guidelines on whistleblowing. However, it emphasised the need to establish an independent body with sufficient budgetary resources to support **whistleblowers** wishing to disclose information on possible irregularities negatively impacting on the Union's financial interests, while ensuring their confidentiality is protected.

Lastly, it recalled that, according to the Court's report, in 2014, the Commission had signed, on behalf of more than 50 EU institutions and bodies a **framework contract (FWC)** with one contractor for the acquisition of software, licences and the provision of related IT maintenance and consultancy services. Members expressed their concern that, in this specific instance, there was no justification for the use of the FWC which resulted in an unnecessary uplift cost.

2016 discharge: European Environment Agency (EEA)

2017/2151(DEC) - 26/06/2017 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2016, as part of the 2016 discharge procedure.

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

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.

This Commission document concerns the EU's consolidated accounts for the year 2016 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 cashflows of the EU institutions and bodies, including the **EEA**, 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 Environment Agency** (EEA).

The European Environment Agency: the Agency, which is located in Copenhagen (DK) was established by Council Regulation (EEC) No 1210/90, 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.

As regards EEA's accounts, these are presented in detail in the document on the consolidated annual accounts of the European Union for 2016:

Commitment appropriations:

- available: EUR 69 million;
- made: EUR 64 million.

Payment appropriations:

- available: EUR 74 million;
- made: EUR 50 million.

For further details on expenditure, please refer to the 2016 final accounts of the EEA.