Basic information

2017/2158(DEC) DEC - Discharge procedure	Procedure completed
2016 discharge: European Aviation Safety Agency (EASA) **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) MACOVEI Monica (ECR) ALI Nedzhmi (ALDE) DE JONG Dennis (GUE/NGL) VALLI Marco (EFDD) KAPPEL Barbara (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
TRAN Transport and Tourism	DALUNDE Jakop G. (Verts/ALE)	30/10/2017

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		
22/03/2018	Committee report tabled for plenary	A8-0066/2018	Summary
18/04/2018	Decision by Parliament	T8-0139/2018	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	2017/2158(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/10796

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE613.455	25/01/2018	
Committee opinion	TRAN	PE613.585	21/02/2018	
Amendments tabled in committee		PE618.237	02/03/2018	
Committee report tabled for plenary, single reading		A8-0066/2018	22/03/2018	Summary
Text adopted by Parliament, single reading		T8-0139/2018	18/04/2018	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05941/2018	20/02/2018	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	N8-0015/2018 OJ C 417 06.12.2017, p. 0068	19/09/2017	Summary

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

Final act	
Budget 2018/1355 OJ L 248 03.10.2018, p. 0189	Summary

2016 discharge: European Aviation Safety Agency (EASA)

2017/2158(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 Aviation Safety Agency (EASA)**.

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 cash flows of the EU institutions and bodies, including the **European Aviation Safety Agency** (EASA), 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 Aviation Safety Agency** (EASA).

The European Aviation Safety Agency: the EASA, which is located in Cologne (DE), was established by Regulation (EC) No 1592/2002 of the European Parliament and of the Council and its role is to maintain a high uniform level of civil aviation safety in Europe and to ensure the proper development of civil aviation safety.

As regards the Agency'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 220 million;
- made: EUR 160 million.

Payment appropriations:

- available: EUR 226 million;
- made: EUR 144 million.

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

2016 discharge: European Aviation Safety Agency (EASA)

2017/2158(DEC) - 03/10/2018 - Final act

PURPOSE: to grant discharge to the European Aviation Safety Agency (EASA) in respect of the Agency's budget for the financial year 2016.

NON-LEGISLATIVE ACT: Decision (EU) 2018/1355 of the European Parliament on discharge in respect of the implementation of the budget of the European Aviation Safety Agency for the financial year 2016.

CONTENT: the European Parliament decided to **grant discharge** to the Executive Director of the European Aviation Safety Agency for the implementation of its budget for the financial year 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 noted that the internal control standards of the Agency were revised and adopted by the Management Board in 2016 to align them with the latest version of the ISO 9001:2015 standards.

It also noted with satisfaction that the Agency completed its move to a new, purpose-designed premises during 2016 without any disruption to business. It stressed that concerning the seat of the Agency, the headquarters agreement between the Agency and the host Member state has been finalised and came into effect on 17 August 2017.

Parliament stated that a future decrease of the Agency's revenue resulting from the United Kingdom's decision to leave the Union is likely and might have a considerable impact on the Agency business plan. A working groups should be established to look into this matter.

In addition, Parliament hopes to see an acceleration of the entry into force of the European regulation on **drones**. In the context of fast-developing civil aviation services, exemplified by the increasingly widespread use of drones, the Agency should be given the necessary financial, material and human resources to successfully perform its regulatory and executive tasks in the fields of safety and environmental protection, but without compromising its independence and impartiality.

2016 discharge: European Aviation Safety Agency (EASA)

2017/2158(DEC) - 18/04/2018 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Executive Director of the European Aviation Safety Agency (EASA) 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 558 votes to 123 with 14 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 Agency for the financial year 2016 was EUR 193 398 000, representing an increase of 4.30 % compared with 2015. EUR 36 370 000 of the budget of the Agency derives from the Union budget and EUR 95 926 000 is revenue from fees and charges.
- **Legality and regularity of transactions:** Members noted that, according to the Court's report, although in 2016 industry financed activities resulted in a deficit of EUR 7 600 000, budgetary results fluctuate over the years and the **agency has accumulated EUR 52 000 000 surplus** from this category of activity. They recalled that the Agency's founding Regulation establishes that industry fees levied should be adequate to cover the Agency's cost for the related certification activities and thus does not foresee an accumulated surplus.
- **Budget and financial management:** budget monitoring efforts during the financial year 2016 resulted in a **budget implementation rate of 99 %**, representing an increase of 1 % compared to 2015. The payments appropriations execution rate was stable at 91 %. The commitments for other administrative expenditure increased by EUR 2 140 000 in absolute terms to EUR 24 060 000, representing 16.5 % of the overall percentage of the Agency's budget. This increase is largely due to the costs of the Agency's move to its new premises on 6 June 2016.
- **Commitments and carry-overs:** the budget implementation rate in relation to the execution of payments against amounts carried over to 2016 was **above 96 %** (compared to 97 % in 2015), above the Commission target of 95%. Carry-overs are often justified and do not necessarily indicate weaknesses in budget planning and implementation.

Members also made a series of observations regarding procurement, staff policy, internal audits and controls and the prevention and management of conflicts of interests:

- in 2016 the agency filled all available posts authorised in its establishment plan. Members appreciated the fact that the agency did not receive any complaints, law-suits or reported cases linked to hiring or firing of staff in 2016. However, they regretted that the gender imbalance within the agency management board members, with a ratio of 78 % to 22 %;
- the agency was called on provide information on its review of its staff "Policy on impartiality and independence: prevention and mitigation of Conflict of Interest". Members 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.

- the **headquarters agreement** between the Agency and the host Member state has been finalised and came into effect on 17 August 2017. They also noted that a future decrease of the Agency's revenue resulting from the United Kingdom's decision to leave the Union is likely and might have a considerable impact on the Agency business plan. A **working group** should be established to look into this matter;
- in light of the revision of Regulation (EC) No 216/2008 of the European Parliament and of the Council, the role played by new technologies, such as **remotely piloted aircraft systems**, must be taken fully into consideration when new competences are assigned to the agency. Members insisted on the importance of allocating **adequate funding** to the agency to ensure the successful uptake of these new responsibilities and adequate staffing with qualified personnel in order to fulfil additional tasks.

Lastly, Parliament urges the Commission and Member States to provide the necessary resources for the new and strengthened competences concerning, among others, risks to civil aviation arising from conflict zones, environmental related topics and the certification and registration of unmanned aircraft.

2016 discharge: European Aviation Safety Agency (EASA)

2017/2158(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 Aviation Safety Agency for the 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 Aviation Safety Agency (**EASA**). In brief, the Agency has been given specific regulatory and executive tasks in the field of aviation safety.

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 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: without calling into question its opinion, the Court draws attention to the fact that the United Kingdom (UK) notified the European Council on 29 March 2017 of its decision to withdraw from the European Union. An agreement setting out the arrangements for its withdrawal will be negotiated. The Agency's 2016 budget was financed 70 % by fees from the aviation industry and 30 % from European Union funds. A future decrease of the Agency's revenue resulting from the UK's decision to leave the EU is possible.

- **budgetary management**: the Court noted that although 2016 industry-financed activities resulted in a deficit of EUR 7.6 million, budgetary results fluctuate over the years and the Agency has accumulated a EUR 52 million surplus. The Agency's founding Regulation establishes that industry fees levied should be adequate to cover the Agency's cost for the related certification activities. It does not, however, foresee an accumulated surplus. Over the period 2014 to 2016, the Agency spent EUR 9.4 million (EUR 4.4 million in 2016) from its accumulated surplus in financing the EUR 12.4 million refurbishment (and removal) cost for the Agency's relocation to a new building. The Commission also contributed EUR 3 million from the EU budget for this purpose. This financing split between industry and Union contributions was in line with the standard cost allocation methodology employed by the Agency and resulted in these works being financed, in large part from industry fees.

The Agency's replies: the Agency took note of the Court's observation as regards Brexit. A working group has been established and has already performed a first analysis on the potential risks and impact of Brexit.

- **budgetary management**: the Agency intends to amend both its Financial and Fees and charges regulations to better formalise the treatment of an accumulated surplus.

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

- **Budget**: EUR 193.4 million.
- **Staff**: 774 including officials, temporary and contract staff and seconded national experts.

2016 discharge: European Aviation Safety Agency (EASA)

2017/2158(DEC) - 22/03/2018 - 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 Aviation Safety Agency (EASA) 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 Agency for the financial year 2016 was EUR 193 398 000, representing an increase of 4.30 % compared with 2015. EUR 36 370 000 of the budget of the Agency derives from the Union budget and EUR 95 926 000 is revenue from fees and charges.
- **Legality and regularity of transactions**: Members noted that, according to the Court's report, although in 2016 industry financed activities resulted in a deficit of EUR 7 600 000, budgetary results fluctuate over the years and the Agency has accumulated EUR 52 000 000 surplus from this category of activity. They recalled that the Agency's founding Regulation establishes that industry fees levied should be adequate to cover the Agency's cost for the related certification activities and thus does not foresee an accumulated surplus.
- Budget and financial management: budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 99 %, representing an increase of 1 % compared to 2015. The payments appropriations execution rate was stable at 91 %. The commitments for other administrative expenditure increased by EUR 2 140 000 in absolute terms to EUR 24 060 000, representing 16.5 % of the overall percentage of the Agency's budget. This increase is largely due to the costs of the Agency's move to its new premises on 6 June 2016.
- **Commitments and carry-overs**: the budget implementation rate in relation to the execution of payments against amounts carried over to 2016 was above **96 % (compared to 97 % in 2015)**, above the Commission target of 95%. Carry-overs are often justified and do not necessarily indicate weaknesses in budget planning and implementation.

Members also made a series of observations regarding procurement, staff policy, internal audits and controls and the prevention and management of conflicts of interests.

The report observed that in 2016 the Agency filled all available posts authorised in its establishment plan. Members appreciated the fact that the Agency did not receive any complaints, law-suits or reported cases linked to hiring or firing of staff in 2016. However, they regretted that the **gender imbalance** within the Agency management board members, with a ratio of 78 % to 22 %.

Members stressed that concerning the **seat of the Agency**, the headquarters agreement between the Agency and the host Member state has been finalised and came into effect on 17 August 2017. They also noted that a future decrease of the Agency's revenue resulting from the United Kingdom's decision to leave the Union is likely and might have a considerable impact on the Agency business plan. A working group should be established to look into this matter.

Members reiterated that the revision of Regulation (EC) No 216/2008 of the European Parliament and of the Council on common rules in the field of civil aviation and establishing a European Aviation Safety Agency envisages broadening the scope of competence of the Agency and that, accordingly, the role played by new technologies, such as **remotely piloted aircraft systems**, must be taken fully into consideration when new competences are assigned. They stressed the importance of allocating **adequate funding** to the Agency to ensure the successful uptake of these new responsibilities and adequate staffing with qualified personnel in order to fulfil additional tasks.

They also called for an acceleration of the entry into force of the European regulation on **drones**.

Lastly, the Commission and Member States are urged to provide necessary resources for the new and reinforced competences concerning, among others, risks to civil aviation arising from conflict zones, environmental related topics and the certification and registration of unmanned aircraft.

2016 discharge: European Aviation Safety Agency (EASA)

2017/2158(DEC) - 20/02/2018 - 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 Aviation Safety Agency (EASA)**, 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, in all material respects, 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.

The Council drew the Agency's attention to the fact that according to the Agency's founding Regulation the Industry **fees** levied should be adequate to cover the Agency's cost and that the Regulation does not foresee an accumulated surplus.