Basic information

2018/2196(DEC) DEC - Discharge procedure	Procedure completed
2017 discharge: European GNSS Agency (GSA) **Subject** 8.70.03.02 2017 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	SARVAMAA Petri (PPE)	26/07/2018
	Shadow rapporteur KADENBACH Karin (S&D) CZARNECKI Ryszard (ECR) ALI Nedzhmi (ALDE) DE JONG Dennis (GUE/NGL) STAES Bart (Verts/ALE) 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	OETTINGER Günther

Key events

Date	Event	Reference	Summary
28/06/2018	Non-legislative basic document published	COM(2018)0521	Summary
11/09/2018	Committee referral announced in Parliament		
20/02/2019	Vote in committee		
01/03/2019	Committee report tabled for plenary	A8-0142/2019	Summary

26/03/2019	Decision by Parliament	T8-0286/2019	Summary
26/03/2019	Results of vote in Parliament		
26/03/2019	Debate in Parliament		
26/03/2019	End of procedure in Parliament		
27/09/2019	Final act published in Official Journal		

Technical information

Procedure reference	2018/2196(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/14310

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE626.814	17/12/2018	
Amendments tabled in committee		PE634.520	31/01/2019	
Committee report tabled for plenary, single reading		A8-0142/2019	01/03/2019	Summary
Text adopted by Parliament, single reading		T8-0286/2019	26/03/2019	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05825/2019	31/01/2019	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2018)0521	28/06/2018	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0012/2019 OJ C 434 30.11.2018, p. 0001	18/09/2018	Summary

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

Final act
Budget 2019/1530 OJ L 249 27.09.2019, p. 0312

2017 discharge: European GNSS Agency (GSA)

2018/2196(DEC) - 28/06/2018 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2017, as part of the 201 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.

This Commission document concerns the **EU's consolidated accounts for the year 2017** 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 with a view to granting discharge.

Discharge procedure: **the final step of a budget lifecycle is the discharge**. It is the decision by which the European Parliament '**releases**' the Commission from its responsibility for management of a given budget by marking the end of that budget's existence. It is granted by the European Parliament on the recommendation of the Council.

The decision is based in particular on the European Court of Auditors reports, in particular its annual report, in which the Court provides a Statement of Assurance (DAS) on the legality and regularity of transactions (payments and commitments).

The procedure results in the granting, postponement or refusal of 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.

All EU institutions and other agencies, bodies and joint undertakings are subject to their own discharge procedures.

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 2017:

Commitment appropriations:

- available: EUR 3 744 million;
- made: EUR 1 895 million.

Payment appropriations:

- available: EUR 1 192 million;
- made: EUR 668 million.

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

2017 discharge: European GNSS Agency (GSA)

2018/2196(DEC) - 26/03/2019 - Text adopted by Parliament, single reading

The European Parliament decided to grant discharge to the Executive Director of the European GNSS Agency (GSA) for the financial year 2017 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 2017 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 497 votes to 119 with 10 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 draft resolution on performance, financial management and control of EU agencies:

Agency's financial statements

The Union subsidy to the final budget of the European GNSS Agency for the financial year 2017 was EUR 28 467 648, representing a decrease of 2.13 % compared to 2016.

Budget and financial management

The budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 100 %, representing the same rate as in 2016. The execution rate of payment appropriations was 86.20 %, representing an increase of 3.78 % compared to 2016. In addition to its core budget, the Agency continued to manage a large amount of delegated budget in 2017 following the signature of the European Geostationary Navigation Overlay Service (EGNOS) and the Galileo Delegation Agreement amendments. A total of EUR 416 million was committed under a delegated budget in 2017 and EUR 638 million made in payments.

Parliament noted that the cancellations of carry-overs from 2016 to 2017 amounted to EUR 270 961, representing 5.30 % of the total amount carried forward, showing however a slight decrease of 1.15 % in comparison to 2016.

Members also made a series of observations regarding performance, staff policy, procurement and conflicts of interest.

In particular, they noted that:

- on 31 December 2017 the establishment plan was 91.38 % executed, with 106 temporary agents appointed out of 116 temporary agents authorised under the Union budget;

- the Agency should take measures with a view to ensuring better gender balance within its senior management;

- that one former Commission official occupies an advisory role under the Active Senior Initiative, without receiving salary entitlements from the Agency;

- following the United Kingdom's decision to withdraw from the Union, an important decision for Galileo was taken to relocate the secondary Galileo Security Monitoring Centre (GSMC) from Swanwick to Madrid and that, at the same time, the Agency has been working closely with the French authorities on the upgrade and future extension of the main GSMC in Saint-Germain-en-Laye;

- the Agency set up an inventory of contracts and grants affected by the United Kingdom's decision to withdraw from the Union with an analysis of the potential consequences, and is currently negotiating mitigating measures with relevant contractors.

2017 discharge: European GNSS Agency (GSA)

2018/2196(DEC) - 31/01/2019 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2017 and the balance sheet as at 31 December 2017 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 2017, 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 2017.

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 2017 and the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with the provisions of the Agency's Financial Regulation, and that the underlying transactions for 2017 are legal and regular in all material respects.

Nevertheless, the following observations were made:

- ***procurement***: the Council noted the potential budgetary risk resulting from the ongoing Court proceedings related to procurement procedures conducted by the Agency and called on the Agency to carefully monitor the situation. The Council urged the Agency to ensure the full implementation without unjustified delay of electronic public procurement;

- ***Brexit***: the Agency is encouraged to take into account any possible financial impact of the withdrawal of the United Kingdom from the EU on its organisation, operations and accounts.

2017 discharge: European GNSS Agency (GSA)

2018/2196(DEC) - 01/03/2019 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Petri SARVAMAA (EPP, FI) on discharge in respect of the implementation of the budget of the European GNSS Agency (GSA) for the financial year 2017.

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 2017.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Agency for the financial year 2017 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 Union subsidy to the final budget of the European GNSS Agency for the financial year 2017 was EUR 28 467 648, representing a decrease of 2.13 % compared to 2016.

Budget and financial management

The budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 100 %, representing the same rate as in 2016. The execution rate of payment appropriations was 86.20 %, representing an increase of 3.78 % compared to 2016. In addition to its core budget, the Agency continued to manage a large amount of delegated budget in 2017 following the signature of the European Geostationary Navigation Overlay Service (EGNOS) and the Galileo Delegation Agreement amendments. A total of EUR 416 million was committed under a delegated budget in 2017 and EUR 638 million made in payments.

The cancellations of carry-overs from 2016 to 2017 amounted to EUR 270 961, representing 5.30 % of the total amount carried forward, showing however a slight decrease of 1.15 % in comparison to 2016.

Members also made a series of observations regarding performance, staff policy, procurement and conflicts of interest.

In particular, they noted that:

- on 31 December 2017 the establishment plan was 91.38 % executed, with 106 temporary agents appointed out of 116 temporary agents authorised under the Union budget;

- that one former Commission official occupies an advisory role under the Active Senior Initiative, without receiving salary entitlements from the Agency;

- following the United Kingdom's decision to withdraw from the Union, an important decision for Galileo was taken to relocate the secondary Galileo Security Monitoring Centre (GSMC) from Swanwick to Madrid and that, at the same time, the Agency has been working closely with the French authorities on the upgrade and future extension of the main GSMC in Saint-Germain-en-Laye;

- the Agency set up an inventory of contracts and grants affected by the United Kingdom's decision to withdraw from the Union with an analysis of the potential consequences, and is currently negotiating mitigating measures with relevant contractors.

2017 discharge: European GNSS Agency (GSA)

2018/2196(DEC) - 18/09/2018

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European GNSS (Global Navigation Satellite System) Agency for the year 2017, together with the Agency's replies.

CONTENT: the Court of Auditors carried out the audit on the annual accounts of the European GNSS Agency (aka 'GSA'),

In brief, 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.

Statement of assurance and reliability of the accounts

The Court considered that:

- the Agency's annual accounts present fairly, in all material respects, its financial position as at 31 December 2017 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;

- the transactions underlying the annual accounts for the year ended 31 December 2017 are legal and regular in all material respects.

Emphasis of matter

On 15 December 2016, the Agency signed a Framework Contract on the exploitation of the Galileo satellite system during the period 2017 to 2027, amounting to EUR 1.5 billion. The contract was awarded following a public procurement procedure. One of the tenderers involved has launched legal proceedings, challenging the outcome of the procurement procedure. The ruling of the European Court of Justice will decide on the legality and regularity of the procurement procedure for the framework contract and all related specific contracts and future payments.

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

Financial management and performance

Agencies should introduce a single solution for the electronic exchange and storage of information with third parties participating in public procurement procedures (e-procurement). As the same requirement exists for all EU Institutions, the Commission is developing a comprehensive IT solution covering all phases of public procurement procedures. The Commission launched tools for electronic invoicing (e-invoicing), for the electronic publication of documents related to contract notices (e-tendering) and for the electronic submission of tenders (e-submission). By the end of 2017, the Agency was not yet using any of these tools.

On Brexit, the Agency operates both Galileo Security Monitoring Centre (GSMC) and Galileo ground stations that are located in UK territory. The Agency's financial statements report the Commission decision to transfer the GSMC back-up site from the UK to Spain.

The Agency's replies

Financial management and performance

It is noted that the 'e-Submission' module currently supports only open procedures and, therefore, the GSA shall use it only for such procedures.

Lastly, the Court of Auditors' report also contained a summary of the Agency's key figures in 2017:

Budget

EUR 704 million (payment appropriations).

Staff

166 including officials, temporary and contract staff and seconded national experts.