

RESOLUTION (EU) 2019/1453 OF THE EUROPEAN PARLIAMENT**of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Aviation Safety Agency (now European Union Aviation Safety Agency) for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Aviation Safety Agency for the financial year 2017,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0120/2019),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the European Aviation Safety Agency (‘the Agency’) for the financial year 2017 was EUR 191 611 843, representing a decrease of 0,92 % compared to 2016; whereas EUR 34 870 000 of the Agency’s budget derives from the Union budget and EUR 101 397 000 is revenue from fees and charges;
- B. whereas the Court of Auditors (‘the Court’), in its report on the annual accounts of the European Aviation Safety Agency for the financial year 2017 (‘the Court’s report’), has stated that it has obtained reasonable assurances that the Agency’s annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 99 %, representing the same rate as in 2016; notes, furthermore, that the payments appropriations execution rate was 93,75 %, showing an increase of 2,55 % compared to 2016;
2. Notes with concern from the Court’s report in its comments from previous years, as an ongoing remark that, although Industry financed activities resulted in a deficit of EUR 7 600 000 in 2016, budgetary results fluctuate over the years and the Agency has accumulated EUR 52 000 000 surplus from this category of activity; recalls 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; calls on the Agency to report to the discharge authority on the ongoing corrective actions and how it plans to avoid such surplus in the future;
3. Acknowledges from the Agency that it intends to amend both its Financial and Fees and charges regulations ⁽²⁾ to better formalise the treatment of an accumulated surplus; takes note from the Agency that it started the revision in 2018 and that the entry into force of the revised Commission Fees and Charges Regulation is planned for 1 January 2020; calls on the Agency to report to the discharge authority on the implementation of that revision, including on the provisions clarifying the treatment of a potential surplus;

Cancellation of carryovers

4. Notes that the cancellations of carryovers from 2016 to 2017 amounted to EUR 239 829, representing 2,6 % of the total amount carried over, showing a decrease of 1,07 % in comparison to 2016;

Performance

5. Acknowledges that the Agency uses various Key Performance Indicators to measure the added value provided by its activities and to enhance its budget management, and evaluates the relevancy of its rules and standards procedures on a periodical basis;

⁽¹⁾ OJ C 108, 22.3.2018, p. 229.

⁽²⁾ Commission Regulation (EU) No 319/2014 of 27 March 2014 on the fees and charges levied by the European Aviation Safety Agency, and repealing Regulation (EC) No 593/2007 (OJ L 93, 28.3.2014, p. 58).

6. Notes that in 2017, the Agency was audited by the International Civil Aviation Organisation; notes with satisfaction that, while the official results pend publication, initial input suggests that the Agency is amongst the top aviation authorities in the world;
7. Acknowledges that the Agency launched the European Strategic Coordination Platform and the European Centre for Cybersecurity in Aviation, and the first phase of the Data4Safety initiative, which aims to support European technologies and market leadership in civil aviation to enhance European know-how in Big Data technologies; notes in addition that it signed agreements with France, Germany and Italy regarding cooperation between civil and military aviation safety;
8. Notes that on 11 September 2018 Regulation (EU) 2018/1139 entered into force including a new section for drones and a new mandate for the Agency that redefines its competences; notes also that that Regulation empowers the Agency to propose to the Commission the technical expertise to regulate drones of all sizes, including the small ones;
9. Notes that in 2017 the Agency experienced a significant increase in the management of earmarked projects which altogether, amount for EUR 11 300 000 (EUR 7 300 000 in 2016); welcomes that these projects are aimed at improving the regulatory and oversight capabilities of national and regional aviation authorities throughout the world as well as contributing to research projects to enhance global aviation safety and to promote EU standards;
10. Urges the Commission and Member States 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;
11. Welcomes the active role of the Agency in the call for proposals under the Horizon 2020 programme; urges the Agency to remain active in the field of research and development;
12. Notes that the Agency performed its yearly risk assessment exercise in line with the methodology developed for EU organisations; notes that further to the identification of potential risks, no prominent risks materialised in 2017;
13. Notes with satisfaction that the Agency shares resources on overlapping tasks with other Agencies, including notably the European Food Safety Agency, the European Union Intellectual Property Office, the European Training Foundation and the European Securities Market Authority, in the areas of surveys, e-learning and cloud services;

Staff policy

14. Notes that, on 31 December 2017, the establishment plan was 100 % executed, with 673 temporary agents appointed out of 678 temporary agents authorised (including 5 subsidy posts) under the Union budget (compared with 676 authorised posts in 2016); notes that due to the non-adoption of the revised basic regulation, the 5 subsidy posts were not filled in 2017; notes that in addition 80 contract agents and 18 seconded national experts worked for the Agency in 2017;
15. Regrets the gender imbalance within the Agency's senior management, with 5 out of 5 being male, and within the management board members, with 25 out of 29 being male, 4 being female; asks in this regard the Commission and the Member States to take into account the importance of ensuring gender balance when presenting their nominations for members of the Board; asks as well the Agency to take measures ensuring better gender balance within its senior management;
16. Notes that the Agency has adopted a policy on protecting the dignity of the person and preventing harassment; acknowledges that it organised information sessions and enabled confidential counselling;

17. Welcomes the suggestion of the Court to publish vacancy notices also on the website of the European Personnel Selection Office in order to increase publicity; understands that the Agency's working language is English and notes that the Agency uses the inter-agency job board established by the Agencies Network to publish its vacancy notices;

Procurement

18. Notes from the Court's report that the Agency chose to use framework contracts with three contractors in cascade for the procurement of IT services for a value of EUR 22 000 000; notes that the Court considers that in such circumstances a competitive procedure between the selected contractors must be used for the specific purchases; welcomes the Agency's reply that it will place increased consideration on the reopening of competitions in order to ensure enhance competition; calls on the Agency to report to the discharge authority on the actions taken to address these recommendations;
19. Notes from the Court's report that by the end of 2017 the Agency was using some of the tools launched by the Commission aimed to introduce a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement), but not e-invoicing; calls on the Agency to introduce all of the necessary tools to manage procurement procedures and report to the discharge authority on the progress made in that field;

Prevention and management of conflict of interest and transparency

20. Acknowledges from the Agency that in 2017 it reviewed the process in place concerning its 'Policy on impartiality and independence: prevention and mitigation of Conflict of Interest' to extend the completion, review and update of Declarations of Interest to all staff members; notes that according to the Agency the publication of an IAS audit report on the prevention and mitigation of conflict of interest is expected in April 2019; calls on the Agency to report to the discharge authority on the comprehensive review of its current system for prevention and mitigation of conflict of interest in 2018/2019 and on the implementation of the Commission's recommendations; welcomes the Agency's new guidelines on whistleblowing;
21. Notes that 70 % of the Agency's income consist of fees; takes note of the Agency's view that the fact that applicants pay fees does not necessarily imply a conflict of interest; calls on the Agency to report to the discharge authority on measures taken in order to ensure that no conflict of interest occurs as regards fee financing;
22. Welcomes the further steps taken in order to enhance the transparency of the Agency's activities by reporting the meetings that the Agency's staff have with external stakeholders, and their availability on the Agency's website;
23. Encourages the Agency to ensure the independence of the accounting officer; notes that following the Court's report, the Agency's Management Board fulfilled the request of the Court by making the accounting officer administratively directly responsible to the Agency's Director and functionally responsible to the Management Board, with effect from January 2019; calls on the Agency to report to the discharge authority on the measures taken in this regard;

Internal controls

24. Notes that in 2017, the Internal Audit Services performed a risk assessment exercise to support their development of the next (2018-2020) audit cycle;
25. Notes that the Internal Audit Capability performed four audit assurance engagements in 2017 to assess whether the relevant regulations were complied with, the process objectives were met, and the key risks were properly mitigated; notes with satisfaction that this level of assurance was provided in each of the reviews and recommendations were given to further enhance either the control environment or the overall efficiency of the processes; acknowledges furthermore that in the follow-up on audits carried out in 2016, the residual risks were considerably reduced to an acceptable level, and all open actions as being implemented with the final action scheduled to be closed by mid-2018;

26. Notes that the annual assessment of the Agency's management standards, based on the latest version of ISO standards and the new Internal Control Framework, has concluded that the Agency's management system is compliant with the management standards thanks to a robust monitoring system established at both management and process levels;
 27. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 ⁽³⁾ on the performance, financial management and control of the agencies.
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⁽³⁾ Texts adopted, P8_TA(2019)0254 (see page 361 of this Official Journal).