# RESOLUTION (EU) 2020/1875 OF THE EUROPEAN PARLIAMENT

## of 14 May 2020

## with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Aviation Safety Agency (EASA) (before 11 September 2018: European Aviation Safety Agency) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Union Aviation Safety Agency for the financial year 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Transport and Tourism,

— having regard to the report of the Committee on Budgetary Control (A9-0074/2020),

A. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Union Aviation Safety Agency (the 'Agency') for the financial year 2018 was EUR 197 871 000, representing an increase of 3.27 % compared to 2017; whereas EUR 36 915 000 of the Agency's budget derives from the Union budget ([2]) and EUR 102 992 000 is revenue from fees and charges;

B. whereas the Court of Auditors (the 'Court'), in its report on the Agency's annual accounts for the financial year 2018 (the 'Court's report'), states 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 2018 resulted in a budget implementation rate of 98,31 %, representing a decrease of 1.02 % compared to 2017; notes furthermore that the payments appropriations execution rate was 90,26 %, showing a decrease of 3,49 % compared to 2017;

**Performance**

2. Notes that, following the 2017 audit of the Agency carried out by the International Civil Aviation Organization (ICAO), in June 2018 ICAO published the results confirming the very high implementation rate, which puts the Agency among the top three aviation regulators in the world;

3. Acknowledges that the Agency is strengthening the safety intelligence and safety performance functions and that, in particular, it is developing the Data4Safety programme that will provide a big data platform and an improved analysis capability at European level;

4. Encourages the Agency to pursue its digitalization policy;

5. Notes with satisfaction that the Agency shares resources on overlapping tasks with other Agencies, including notably the European Food Safety Agency, the European Training Foundation, the European Securities Market Authority, in the areas of surveys, e-learning, cloud and LinkedIn services and environment awareness training; strongly encourages the Agency to actively keep seeking further and broader cooperation with all of the Union agencies;

([1]) OJ C 279, 8.8.2018, p. 4.
([2]) OJ C 279, 8.8.2018, p. 5.

6. Notes that, in 2018, an external evaluation of the process that lead to the development of the Agency's Single Programming Document and of the ways in which the Agency's key stakeholders are consulted in the establishment of the Single Programming Document was carried out; notes that the Agency is preparing an action plan to address any potential areas for improvement;

7. Highlights the Agency's vital role in ensuring the highest possible level of aviation safety and environmental protection in a fast growing aviation market; stresses that 2018 was a landmark year for the Agency, with the entry into force of the Regulation (EU) 2018/1139 of the European Parliament and of the Council ([3]); recognises that the increased responsibilities and workload of the Agency were not accompanied by a proportionate increase in resources, which created significant challenges to fulfil its tasks and objectives in 2018, and lead to postponement or deprioritisation of certain activities; reiterates that the Agency should be provided with adequate financial resources and staff, which registered a reduction to 767 staff employed on 31 December 2018 (compared with 771 staff in 2017), in order to perform the important tasks entrusted to it;

8. Recalls the Agency's contribution to developing smart standards on noise and $CO_2$ emissions and its responsibility for the environmental certification of aeronautical products, parts and appliances; believes that with further resources the Agency can play a leading role in developing and implementing measures to improve the sustainability of aviation;

9. Welcomes the significant efforts made by the Agency to create a single European drone area;

10. Is concerned that aviation is an attractive target for cyber attacks and that software errors may have serious consequences; calls on the Agency, together with the European Centre for Cybersecurity in Aviation, to further increase the digital resilience of European aviation;

11. Is concerned that the forthcoming incorporation of remotely piloted aircraft systems will cause concern about safety among the public; calls on the Agency to take greater account of general safety concerns and the concerns of the authorities regarding prosecution of offenders;

12. Calls on the Agency to ensure that the Union acquires, as quickly as is feasible without jeopardising safety, rules on the commercial sale of drones that are uniform and easy to comply with; is concerned that the Agency does not have sufficient financial and human resources for this new remit;

13. Notes that the Agency ended the year with an overall deficit of EUR 2 000 000 (a surplus of EUR 700 000 related to subsidy activities and a deficit of EUR 2 700 000 related to fees and charges activities); notes that the fees and charges deficit is deducted from the accumulated surplus, reducing it from EUR 54 900 000 to EUR 52 200 000; observes that concerning activities related to fees and charges, the income rose by EUR 1 800 000 compared to 2017, however, staff costs increased by EUR 3 700 000, administrative costs by EUR 900 000 and operational costs by EUR 2 600 000; notes that for activities related to subsidy, an increase of subsidy by EUR 2 000 000 was enough to cover the rise in administrative costs by EUR 100 000 and operational expenditures by EUR 1 400 000;

14. Commends steps taken to increase the efficiency of the Agency, such as the launch of the lean efficiency agility programme and other efficiency initiatives, which resulted in a total reduction in workload equivalent to 16 employees working full-time and enabled the Agency to redeploy posts and to cope with the increased workload and the revised quality needs of legacy activities; also welcomes the increasing digitalisation, automation and simplification of financial processes, leading to 86 % of financial transactions being processed paperless;

15. Is pleased that the Agency has implemented the recommendation of the Court to ensure the independence of the accounting officer, who now functionally reports to the Agency's management board and administratively the Agency's executive director;

([3]) Regulation (EU) 2018/1139 of the European Parliament and of the Council of 4 July 2018 on common rules in the field of civil aviation and establishing a European Union Aviation Safety Agency, and amending Regulations (EC) No 2111/2005, (EC) No 1008/2008, (EU) No 996/2010, (EU) No 376/2014 and Directives 2014/30/EU and 2014/53/EU of the European Parliament and of the Council, and repealing Regulations (EC) No 552/2004 and (EC) No 216/2008 of the European Parliament and of the Council and Council Regulation (EEC) No 3922/91 (OJ L 212, 22.8.2018, p. 1).

16. Welcomes the adoption of the guidelines on whistleblowing by the management board of the Agency and calls on the Agency to ensure their implementation; notes that the internal audit services performed a review of ethics in 2018, covering areas of the code of conduct, ethics and fraud, with draft audit report expected in the beginning of 2019; reiterates, in this context, the need to have in place safeguards against conflicts of interest;

**Staff policy**

17. Notes that, on 31 December 2018, the establishment plan was 95,74 % executed, with 651 temporary agents appointed out of 680 temporary agents authorised under the Union budget (compared with 678 authorised posts in 2017); notes that in addition 83 contract agents and 19 seconded national experts worked for the Agency in 2018;

18. Notes with concern that an uneven gender balance is reported for 2018 with regard to the senior managers (4 men and 1 woman) and the management board members (26 men and 3 women);

19. notes that the Agency joined the Commissions initative 'Women in Transport' aiming to strengthen women's employment opportunities at all levels; welcomes that the Agency has established a gender balance task force to make recommendations on redressing the considerable existing imbalance;

20. Encourages the Agency to develop a long term human resources policy framework which addresses the work-life balance of its staff, the lifelong guidance and career development, the gender balance, the teleworking, the non discrimination, the geographical balance and the recruitment and integration of disabled people;

**Procurement**

21. Notes that, according to the Court's report, the Agency committed the funds for an agreement with the Commission on archiving services about eight months after the renewal of the agreement; notes that, according to the Financial Regulation, the commitment of funds should be recorded before entering a legal obligation; takes note of the Agency's reply that the commitment was signed before the reception of the invoice but after the beginning of the service and this *a posteriori* was therefore covered by an exception; calls on the Agency to enter budgetary commitments before legal commitments;

22. Notes with concern that, according to the Court's report, for the procurement of data analytics services for a volume of up to EUR 5 000 000, the Agency chose to use a framework contract with a single operator resulting from an open procedure published in the *Official Journal of the European Union*; notes, however, that the terms used in the framework contract were not specific enough to allow a fair competition, because the requirements were not yet known at the time of the procurements procedure; recalls that, according to the Financial Regulation, in such circumstances, the contracting authority has to award a framework contract to multiple operators and a competitive procedure between the selected contractors has to be used for the specific purchases; takes notes on the Agency's reply that it chose a single framework contract rather than a multiple framework contract which would have resulted in a change of contractor during the lifetime of the framework contract and would have had severe consequences for its coherence and timely completion; calls on the Agency to design framework contracts which allow fair competition and ensure value for money;

23. Observes from the Court's report that in another procurement procedure for the core business of the Agency, namely outsourcing of certification tasks, the Agency awarded the contracts solely on the basis of the quality of the services without evaluating the price; notes, furthermore, that the Agency signed a contract with one operator before having received proof that the contractor was not in an exclusion situation; notes that, according to the Agency's reply, this Agency-specific activity is not reflected in the Financial Regulation; notes, furthermore, that there was no risk that the Agency will obtain services from an ineligible provider, since evidence regarding exclusion criteria was submitted prior to any accreditation of tasks; calls on the Agency to ensure that contracts are signed only after having verified the exclusion criteria;

24. Notes that, in light of comments and observations from the discharge authority related the use of some of the tools launched by the Commission with the aim of introducing a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement), the Agency gave all suppliers the possibility of submitting invoices electronically from January 2018; welcomes, moreover, that by the end of 2018 more than 80 % of invoices were being received electronically; however, notes that the processing of electronically received invoices and the encoding of the invoice data is done manually since this is considered to be the most reasonable solution;

**Prevention and management of conflict of interest and transparency**

25. Notes, in light of comments and observations from the discharge authority related to the Agency's review of its 'Policy on impartiality and independence: prevention and mitigation of Conflict of Interest' and the extension of the completion, review and update of declarations of interest to all staff members, that the Agency, at the end of May 2019, received the final audit report on ethics, fraud prevention and conflict of interest from the internal audit service with an overall positive conclusion on the management and control systems; notes, moreover, that the Agency has established an action plan with regard to the recommendations of the internal audit service and, that the Agency plans to perform by the end of March 2020 a review of the existing code of conduct framework for the Agency's staff and board of appeal members, as well as a review of the public declaration of interest process for the management board members;

26. Notes that 62 % 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;

**Internal controls**

27. Notes that in 2018, the internal audit service reviewed and confirmed the implementation of all the actions that were pending in the areas of business continuity, information security management and the European plan for aviation safety;

28. Observes that, in 2018, the Commission's internal audit service issued an audit report on 'Strategic Risk Assessment including IT in EASA'; furthermore, notes that the Agency prepared an action plan to address some potential areas for improvement;

29. Notes that in 2018 the internal audit capability performed four audit assurance engagements to assess whether the relevant regulations were complied with, the process objectives were being met, and the key risks were properly mitigated; notes that this level of assurance was provided in each of the reviews and that recommendations were given to further enhance either the control environment or the overall efficiency of the processes; acknowledges, furthermore, that in the four follow-up audits carried out in 2018, the residual risks were considerably reduced, resulting in them falling to an acceptable level, and all open actions implemented with the final action were scheduled to be closed by the third-quarter of 2019;

30. Calls upon the Agency to focus on disseminating the results of its research to the general public, and to reach out to public through the social media and other media outlets;

31. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 ([4]) on the performance, financial management and control of the agencies.

([4]) Texts adopted, P9_TA(2020) 0121.