

ΕΒΡΟΠΕΪΣΚΑ ΣΜΕΤΗΑ ΠΑΛΑΤΑ
TRIBUNAL DE CUENTAS EUROPEO
EVROPSKÝ ÚČETNÍ DVŮR
DEN EUROPÆISKE REVISIONSRET
EUROPÄISCHER RECHNUNGSHOF
EUROOPA KONTROLLIKODA
ΕΥΡΩΠΑΪΚΟ ΕΛΕΓΚΤΙΚΟ ΣΥΝΕΔΡΙΟ
EUROPEAN COURT OF AUDITORS
COUR DES COMPTES EUROPÉENNE
CÚIRT INIÚCHÓIRÍ NA HEORPA



CORTE DEI CONTI EUROPEA
EIROPAS REVĪZIJAS PALĀTA
EUROPOS AUDITO RŪMAI

EURÓPAI SZÁMVEVŐSZÉK
IL-QORTI EWROPEA TA' L-AWDITURI
EUROPESE REKENKAMER
EUROPEJSKI TRYBUNAŁ OBRACHUNKOWY
TRIBUNAL DE CONTAS EUROPEU
CURTEA DE CONTURI EUROPEANĂ
EURÓPSKY DVOR AUDÍTOROV
EVROPSKO RAČUNSKO SODIŠČE
EUROOPAN TILINTARKASTUSTUOMIOISTUIN
EUROPEISKA REVISIONSRÄTTEN

Report on the annual accounts of
the European Maritime Safety Agency for the financial year 2008

together with the Agency's replies

CONTENTS

	Paragraph
Introduction	1 - 2
Statement of Assurance	3 - 12
Comments on the budgetary and financial management	13 - 14
Other matters	15
Table	
The Agency's replies	

INTRODUCTION

1. The European Maritime Safety Agency (hereinafter "the Agency"), located in Lisboa, was set up by Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002¹. The Agency's tasks are to ensure a high level of maritime safety and the prevention of pollution by ships, provide the Commission and the Member States with technical assistance, and monitor the implementation of Community legislation and to evaluate its effectiveness².
2. The Agency's 2008 budget amounted to 50,2 million euro compared with 48,2 million euro the previous year. The number of staff employed by the Agency at the end of the year was 211 as compared with 179 the previous year.

STATEMENT OF ASSURANCE

3. Pursuant to the provisions of Article 248 of the Treaty the Court has audited the annual accounts³ of the Agency, which comprise the "financial statements"⁴ and the "reports on implementation of the budget"⁵ for the financial year ended

¹ OJ L 208, 5.8.2002, p. 1.

² The ***Table*** summarises the Agency's competences and activities. It is presented for information purposes.

³ These accounts are accompanied by a report on the budgetary and financial management during the year which gives inter alia an account of the rate of implementation of the appropriations with summary information on the transfers of appropriations among the various budget items.

⁴ The financial statements include the balance sheet and the economic outturn account, the cash-flow table, the statement of changes in capital and the annex to the financial statements which includes the description of the significant accounting policies and other explanatory information.

⁵ The budget implementation reports comprise the budget outturn account and its annex.

31 December 2008 and the legality and regularity of the transactions underlying those accounts.

4. This Statement of Assurance is addressed to the European Parliament and the Council in accordance with Article 185(2) of Council Regulation (EC, Euratom) No 1605/2002⁶.

The Director's responsibility

5. As authorising officer, the Director implements the revenue and expenditure of the budget in accordance with the financial rules of the Agency under his own responsibility and within the limits of authorised appropriations⁷. The Director is responsible for putting in place⁸ the organisational structure and the internal management and control systems and procedures relevant for drawing up final accounts⁹ that are free from material misstatement, whether due to fraud or error, and for ensuring that the transactions underlying those accounts are legal and regular.

The Court's responsibility

6. The Court's responsibility is to provide, on the basis of its audit, a statement of assurance as to the reliability of the annual accounts of the Agency and the legality and regularity of the transactions underlying them.

⁶ OJ L 248, 16.9.2002, p. 1.

⁷ Article 33 of Commission Regulation (EC, Euratom) No 2343/2002 of 23 December 2002 (OJ L 357, 31.12.2002, p. 80).

⁸ Article 38 of Commission Regulation (EC, Euratom) No 2343/2002 of 23 December 2002 (OJ L 357, 31.12.2002, p. 80).

⁹ The rules concerning the presentation of the accounts and accounting by the Agencies are laid down in chapter 1 of Title VII of Commission Regulation (EC, Euratom) No 2343/2002 of 23 December 2002 (OJ L 357, 31.12.2002, p. 87) as last amended by Commission Regulation (EC, Euratom) No 652/2008 of 9 July 2008 (OJ L 181, 10.07.2008, p. 23) and are integrated as such in the Financial Regulation of the Agency.

7. The Court conducted its audit in accordance with the IFAC and ISSAI¹⁰ International Auditing Standards and Codes of Ethics. Those standards require that the Court complies with ethical requirements and plans and performs the audit to obtain reasonable assurance about whether the accounts are free from material misstatement and whether the underlying transactions are legal and regular.

8. The Court's audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the accounts and about the legality and regularity of the transactions underlying them. The procedures selected depend on its audit judgment including the assessment of the risks of material misstatement of the accounts or of illegal or irregular transactions, whether due to fraud or error. In making those risk assessments internal control relevant to the entity's preparation and presentation of accounts is considered in order to design audit procedures that are appropriate in the circumstances. The Court's audit also includes evaluating the appropriateness of accounting policies used and, the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the accounts.

9. The Court believes that the audit evidence obtained is sufficient and appropriate to provide a basis for the opinions set out below.

Opinion on the reliability of the accounts

10. In the Court's opinion, the Agency's Annual Accounts¹¹ present fairly, in all material respects, its financial position as of 31 December 2008 and the results

¹⁰ International Federation of Accountants (IFAC) and International Standards of Supreme Audit Institutions (ISSAI).

¹¹ The Final Annual Accounts were drawn up on 11 June 2009 and received by the Court on 2 July 2009. The Final Annual Accounts, consolidated with those of the Commission are published in the Official Journal of the European Union by 15 November of the following year. These can be found on the following website <http://eca.europa.eu> or www.emsa.europa.eu.

of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation.

Opinion on the legality and the regularity of the transactions underlying the accounts

11. In the Court's opinion, the transactions underlying the annual accounts of the Agency for the financial year ended 31 December 2008 are, in all material respects, legal and regular.

12. The comments which follow do not call the Court's opinions into question.

COMMENTS ON THE BUDGETARY AND FINANCIAL MANAGEMENT

13. The procedures for drawing up the budget were not sufficiently rigorous and led to a significant number of budgetary transfers¹². More than 2 million euro of appropriations for personnel expenditure were transferred to administrative expenditure budget lines between June and November 2008. This made it possible to increase the amount of appropriations carried forward to 2009 and reduced the amount to be repaid to the Commission. Moreover, the high level of cancellation of payment appropriations for operational activities, 7,5 million euro, indicates weaknesses in their planning and their monitoring.

14. As in 2007¹³ legal commitments were entered into before the corresponding budgetary commitments¹⁴.

¹² 52 transfers of appropriations in 2008.

¹³ Paragraph 8 of the 2007 annual report (OJ C311 of 5.12.2008 p.58).

¹⁴ Four cases with a total value of 5,2 million euro out of a total of 46,4 million euro committed in 2008.

OTHER MATTERS

15. The Agency did not prepare a multi-annual work programme setting performance indicators as required by the Financial Regulation. Its annual work programme is not related to its commitment budget and is largely based on payment forecasts. Budget modifications are made without simultaneous revisions of the work programme even when these have a significant impact. The introduction of an activity based budgeting system would make it easier to establish a clear link between the work programme and the financial forecasts.

This report was adopted by the Court of Auditors in Luxembourg at its meeting of 8 October 2009.

For the Court of Auditors

Vítor Manuel da Silva Caldeira
President

Table - European Maritime Safety Agency (Lisboa)

Areas of Community competence deriving from the Treaty	Competences of the Agency as defined in Regulation (EC) No 1406/2002 of the European Parliament and of the Council as amended by Regulations (EC) No 1644/2003 and (EC) No 724/2004		Governance	Resources made available to the Agency 2008 (Data for 2007)	Products and services supplied in 2008
<p>Common transport policy</p> <p>“The Council may, acting by a qualified majority, decide whether, to what extent and by what procedure appropriate provisions may be laid down for sea and air transport.”</p> <p>(Article 80 of the Treaty)</p>	<p>Objectives</p> <ul style="list-style-type: none"> - To ensure a high, uniform and effective level of maritime safety and prevention of pollution by ships. - To provide the Member States and the Commission with technical and scientific assistance. - To monitor the implementation of Community legislation in this field and to evaluate the effectiveness of the measures in place. - To introduce operational methods for combatting pollution in European waters. 	<p>Tasks</p> <ul style="list-style-type: none"> - To assist the Commission in drawing up Community legislation and in its implementation. - To monitor the overall functioning of the Community port State control regime, which may include visits to the Member States. - To provide the Commission with technical assistance for the port State control of ships. - To work with the Member States on developing technical solutions and to provide technical assistance related to the implementation of Community legislation. - To promote cooperation between riparian States in the shipping areas concerned. - To develop and operate any information system necessary. - To facilitate cooperation between the Member States and the Commission in the development of a common methodology for investigating maritime accidents. - To provide the Commission and the Member States with reliable information on maritime safety and on pollution by ships. - To assist the Commission and the Member States in the identification and pursuit of ships making unlawful discharges. - To monitor the classification societies recognised by the EU and to issue the corresponding reports to the Commission. - To assist the Commission with the input for and implementation of tasks relating to the Directive on marine equipment. - To provide the Commission with data on the introduction of the Directive on ship waste reception facilities in European ports. 	<p>1. Administrative Board</p> <p><i>Composition</i></p> <p>One representative per Member State, four representatives of the Commission, four representatives, without the right to vote, from the professional sectors concerned.</p> <p><i>Tasks</i></p> <ul style="list-style-type: none"> - To adopt the budget and the work programme. - To examine requests from Member States for assistance. <p>2. Executive Director</p> <p>Appointed by the Administrative Board on a proposal from the Commission.</p> <p>3. External audit</p> <p>Court of Auditors.</p> <p>4. Discharge Authority</p> <p>Parliament acting on a recommendation by the Council.</p>	<p>Budget</p> <p>50,2 million euro (48,2 million euro)</p> <p>Staff</p> <p>Permanent and temporary staff: 181 (153)</p> <p>Other Staff: Contract staff: 17 (13) SNEs: 13 (13)</p>	<ul style="list-style-type: none"> - 33 Workshops/other events - 24 training courses (including 4 for Port State Control (PSC) officers - 431 national experts trained - 75 inspections and visits - 2335 satellite images ordered and analysed through CleanSeaNet - 11 anti-pollution vessels contracts - 31 drills and 6 exercises with the anti-pollution vessels - SafeSeaNet system fully operational - Other major systems under development: THETIS (Information System for Port State Control (PSC) Officers EU Long Range Identification and Tracking Data Centre

Source: Information supplied by the Agency.