

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

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EUROPEISKA REVISIONSRÄTTEN

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

together with the Agency's replies

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INTRODUCTION

1. The European Environment Agency (hereinafter "the Agency"), located in Copenhagen, was established by Council Regulation (EEC) No 1210/90 of 7 May 1990¹. It is responsible for setting up an observation network that provides the Commission, the Parliament, the Member States and, more generally, the public with reliable information on the state of the environment. This information should, in particular, enable the European Union and the Member States to take action to safeguard the environment and assess the effectiveness of such action².
2. The Agency's 2008 budget amounted to 37,1 million euro compared with 35,1 million euro the previous year. The number of staff employed by the Agency at the end of the year was 123 as compared with 116 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 120, 11.5.1990.

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 her 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, 10.7.2008, 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 judgement 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 18 May 2009 and received by the Court on 29 June 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 <http://www.eea.europa.eu/about-us/documents/administrativedocuments/eea-accounts-for-the-year-2008/>.

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. In 2008, the Agency decided to re-fit its rented premises. The total estimated cost was 147 thousand euro. A tendering procedure should have been launched for this work but, instead, the Agency covered the costs of the work done by a firm chosen by the building's owners.

OTHER MATTERS

14. For the grant agreements, there is a need to better clarify time charged by the partners. To mitigate the risk of unjustified payments, clearer instructions should be given to the beneficiaries for rate calculations and a clear link should be established between costs charged and costs estimated in the implementation plans.

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

For the Court of Auditors

Vitor Manuel da Silva Caldeira
President

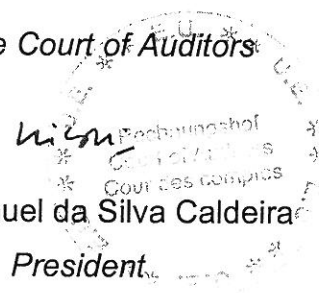


Tableau - European Environment Agency (Copenhagen)

Areas of Community competence deriving from the Treaty	Competences of the Agency as defined in Council Regulation (EEC) No 1210/90		Governance	Resources made available to the Agency in 2008 <i>(Data for 2007)</i>	Main products and services supplied in 2008
<p>Environment policy</p> <p>Community policy on the environment shall aim at a high level of protection taking into account the diversity of situations in the various regions of the Community. It shall be based on the precautionary principle and on the principles that preventive action should be taken, that damage should as a priority be rectified at source and that the polluter should pay. (...) In preparing its policy (...), the Community shall take account of available scientific and technical data (...).</p> <p><i>(Article 174 of the Treaty)</i></p>	<p>Objectives</p> <p>- To set up a European environment information and observation network to provide the Community and the Member States with objective, reliable and comparable information at European level enabling them to:</p> <p>(a) take the requisite measures to protect the environment;</p> <p>(b) assess the results of such measures;</p> <p>(c) ensure that the public is properly informed about the state of the environment.</p>	<p>Tasks</p> <p>- To provide the Community and the Member States with the objective information necessary for framing and implementing sound and effective environmental policies.</p> <p>- To record, collate and assess data on the state of the environment and to report on the quality of and pressures on the environment within the territory of the Community.</p> <p>- To help ensure that environmental data at European level are comparable and, if necessary, to encourage by appropriate means improved harmonisation of methods of measurement.</p> <p>- To promote the incorporation of European environmental data into international programmes.</p> <p>- To publish a report on the state of, trends in and prospects for the environment every five years.</p> <p>- To stimulate the development of environmental forecasting techniques, exchanges of information on technologies for preventing or reducing damage to the environment, methods of assessing the costs of damage to the environment and the costs of environmental preventive, protection and restoration policies.</p>	<p>1 - Management Board <i>Consisting of:</i></p> <ul style="list-style-type: none"> - One representative per Member State; - two representatives of the Commission; - two scientists appointed by the European Parliament. <p><i>Tasks</i></p> <ul style="list-style-type: none"> - To adopt the work programme and ensure it is implemented. <p>2 - Executive Director Appointed by the Management Board on a proposal from the Commission.</p> <p>3 - Scientific Committee Consisting of qualified figures in the field of the environment.</p> <p>4 - External audit Court of Auditors.</p> <p>5 - Discharge authority Parliament acting on recommendation by the Council.</p>	<p>Budget</p> <p>37, 1 million euro <i>(35, 1million euro)</i></p> <p>Community subsidy</p> <p>85 % (82 %)</p> <p>Staff numbers at 31 December 2008</p> <p>Number of posts in the Establishment plan:</p> <p>123 (116)</p> <p>Posts occupied: 116 (111) plus 51 (55) other posts (contracts staff and seconded national experts).</p> <p>Total staff numbers: 123 (116) assigned to the following tasks:</p> <ul style="list-style-type: none"> - operational 80 (73) - administrative 42 (42) - mixed 1 (1). 	<ul style="list-style-type: none"> - Climate for a transport change. TERM 2007: indicators tracking transport and environment in the European Union - Application of the Emissions Trading Directive by EU Member States - reporting year 2007 - Air pollution by ozone across Europe during summer 2007 - Annual European Community greenhouse gas inventory 1990 - 2006 and inventory report 2008 - Annual European Community LRTAP Convention emission inventory report 1990-2006 - Greenhouse gas emission trends and projections in Europe 2008 - Maximising the environmental benefits of Europe's bioenergy potential - Energy and environment report 2008 - NEC Directive status report 2007 - The EEA also continued to collaborate closely with DG Environment, ESTAT and the JRC in the "Group of Four" to streamline environmental reporting. The EEA takes the lead in the following five areas: climate change, air quality, water and marine environment, biodiversity and land use.

Source: Information supplied by the Agency.

THE AGENCY'S REPLIES

13. Since it is a requirement of our rental agreement to seek the approval of the lessor for any major building work an open procedure launched by the Agency was not appropriate. In the future, such events will be documented in the Exceptions register.

14. EEA has regularly given instruction to all consortia on how to calculate costs. These will be reviewed and improved as appropriate. The EEA will also take additional measures to ensure that changes between costs charged and costs estimated in the implementation plans are more clearly explained.