

**REPORT**

**ON**

**BUDGETARY AND FINANCIAL MANAGEMENT**

**2015**

**EUROPEAN GNSS AGENCY**

## PRESENTATION OF CONTENTS

The purpose of this report is to present a summary of the budgetary and financial management by the European GNSS Agency (GSA) in 2015.

### LEGAL BASIS

Article 93 of the GSA Financial Regulation stipulates that the accounts of the Agency shall be accompanied by a "report on budgetary and financial management during the year".

### THE REPORT

This document is structured in three sections: an Executive Summary, and two parts on budget and then financial management.

### EXECUTIVE SUMMARY

#### PART I: Budget management

- **Chapter one** summarises the budget evolution and management by the Agency, from the voted budget made available at the beginning of the year 2015 to the final budget after transfers and amendments.
- **Chapter two** describes the execution of the budget per budget line, in terms of commitment and payment appropriations.
- **Chapter three** includes the appropriations arising from earmarked revenue (via delegation agreements between the European Commission and the GSA).
- **Chapter four** analyses the payment appropriations carried over from 2014 to 2015 and the payment appropriations carried over from 2015 to 2016.
- **Chapter five** presents an analysis of the outstanding commitments at the end of 2015.
- **Chapter six** provides information related to the staff and establishment plan during 2015.

#### PART II: Financial management

- **Chapter seven** describes the financial and accounting systems used by the Agency.
- **Chapter eight** reports on the financial management developments in 2015.

## EXECUTIVE SUMMARY

The GSA began the year 2015 with an initial budget of 27,606,414.54 EUR. There were two amendments to the budget within the course of the year, one of which was to reduce payment appropriations on Title 3 by 4,821,368.48 EUR to 3,788,221 EUR. The level of commitment appropriations did not change.

Budget execution for the year was 100% in commitment appropriations and 100% in C1 payment appropriations when taking into account the non-automatic carry-forward in order to maintain the GSA's payment capacity on existing legal obligations. Payment Appropriations were returned to the parent DG GROW following a Administrative Board Written Procedure in August 2015 in order to reduce cancellation of appropriations.

Average payment times were 13 days, well below the 30 days EC benchmark and 20 days target. A total of 4,267 financial transactions were processed, representing a 24% increase on 2014.

The GSA continued to manage a large amount of delegated budget in 2015 following the signature of three new Delegation Agreements in the course of 2014 for EGNOS Exploitation, Galileo Exploitation and Horizon 2020. An amendment to the Galileo Exploitation DA was signed in December 2015, assigning a further 300 MEUR to the GSA. A total of 116,067,789.51 EUR delegated budget was committed in 2015 and 183,108,199 EUR made in payments.

**PART I**  
**CHAPTER 1**  
**BUDGET EVOLUTION DURING 2015**

The initial budget voted by the European Parliament and the European Council during the budget adoption procedure was set at 26,840,414.54 EUR and to this was added the EFTA contribution of 766,414 EUR, bringing the GSA 2015 budget to a total of 27,606,414.54 EUR. The budget was allocated between Titles as follows:

Title 1 Staff related expenditure	13,860,114.54 EUR
Title 2 Administrative expenditure	5,760,000 EUR
Title 3 Operational expenditure	7,986,300 EUR
<b>Total</b>	<b>27,606,414.54 EUR</b>

For a detailed overview of the GSA initial and final budget structure, with a consolidated presentation of amendments and transfers, please refer to Table 1 on page 5.

The initial budget (less EFTA contribution) was published in the Official Journal of the EU on 31.03.2015 with an Amending Budget #1 being published on 24.04.2015 which took into account the EFTA contribution and a revision of inscribed amounts as approved by the GSA Administrative Board at their first meeting in March 2015.

Amending Budget #2, published on 15.12.2015, covered a reduction in the total number of payment appropriations on Title 3 following a revision of operational payment schedules in the summer of 2015. In addition to this, there were minor reallocations of non-differentiated appropriations on staff and administrative budget lines.

Eight internal transfers were processed in 2015, all of them authorised by the Executive Director as they concerned transfers of amounts either within Titles or below 10% between Titles. See Table 2 on pages 6-8 for further details.

Budget line	Heading	Initial voted budget		Transfers / amendments		Final budget 31/12/2015	
		CA	PA	CA	PA	CA	PA
<b>Title 1 - Staff expenditure</b>							
1100	Staff expenditure	10,688,114.54	10,688,114.54	- 625,258.97	- 625,258.97	10,062,855.57	10,062,855.57
1200	Recruitment costs	120,000.00	120,000.00	- 35,000.00	- 35,000.00	85,000.00	85,000.00
1210	Medical services	60,000.00	60,000.00	- 42,000.00	- 42,000.00	18,000.00	18,000.00
1300	Missions and travel	1,440,000.00	1,440,000.00	- 274,169.10	- 274,169.10	1,165,830.90	1,165,830.90
1400	Training expenditure	200,000.00	200,000.00	12,000.00	12,000.00	212,000.00	212,000.00
1600	Interims & trainees	600,000.00	600,000.00	- 89,813.55	- 89,813.55	510,186.45	510,186.45
1700	Representation expenditure	2,000.00	2,000.00	- 748.45	- 748.45	1,251.55	1,251.55
1800	Tuition fees	750,000.00	750,000.00	156,362.71	156,362.71	906,362.71	906,362.71
	<b>Total for title 1</b>	<b>13,860,114.54</b>	<b>13,860,114.54</b>	<b>- 898,627.36</b>	<b>- 898,627.36</b>	<b>12,961,487.18</b>	<b>12,961,487.18</b>
<b>Title 2 - Administrative expenditure</b>							
2000	Rental of buildings	3,100,000.00	3,100,000.00	- 655,005.12	- 655,005.12	2,444,994.88	2,444,994.88
2100	Data processing	1,200,000.00	1,200,000.00	792,369.58	792,369.58	1,992,369.58	1,992,369.58
2200	Movable property	220,000.00	220,000.00	- 36,012.62	- 36,012.62	183,987.38	183,987.38
2300	Current administrative costs	900,000.00	900,000.00	140,500.00	140,500.00	1,040,500.00	1,040,500.00
2400	Postage and telecommunication	275,000.00	275,000.00	43,485.50	43,485.50	318,485.50	318,485.50
2500	Meetings	65,000.00	65,000.00	- 10,000.00	- 10,000.00	55,000.00	55,000.00
	<b>Total for title 2</b>	<b>5,760,000.00</b>	<b>5,760,000.00</b>	<b>275,337.34</b>	<b>275,337.34</b>	<b>6,035,337.34</b>	<b>6,035,337.34</b>
	<b>Total for titles 1 and 2</b>	<b>19,620,114.54</b>	<b>19,620,114.54</b>	<b>- 623,290.02</b>	<b>- 623,290.02</b>	<b>18,996,824.52</b>	<b>18,996,824.52</b>
<b>Title 3 - Operational expenditure</b>							
3100	Studies and operations	6,586,300.00	6,586,300.00	623,289.48	- 3,875,891.00	7,209,589.48	2,710,409.00
3300	SAB operational expenditure	1,400,000.00	1,400,000.00	-	- 322,188.00	1,400,000.00	1,077,812.00
	<b>Total for title 3</b>	<b>7,986,300.00</b>	<b>7,986,300.00</b>	<b>623,289.48</b>	<b>- 4,198,079.00</b>	<b>8,609,589.48</b>	<b>3,788,221.00</b>
	<b>TOTAL titles 1, 2 and 3</b>	<b>27,606,414.54</b>	<b>27,606,414.54</b>	<b>- 0.54</b>	<b>- 4,821,369.02</b>	<b>27,606,414.00</b>	<b>22,785,045.52</b>

Table 1: GSA initial and final budget structure, with consolidated view of amendments and transfers, in EUR

WFID	No.	From	To	Amount	Date of validation by AO	Comments
212911	1	2000	2400	11 000 EUR	16/07/2015	Additional needs on telecommunications for SIP and videoconference can be covered by lower needs on buildings
213173	2	1100, 1200, 1300, 1600	3100	539 721 EUR	27/07/15	Additional needs on Title 3 for European Space Solutions, Open Days, reconstruction of website and update of user oriented strategy phase 2 can be covered by lower needs on recruitment, salaries, missions and interims (due to delays in recruitment and staff leaving the Agency)
214318	3	2000	2400	32 500 EUR	15/09/2015	The commitment for the current contract with BT needs to be amended, with an impact on the overall value, in order to increase the speed of the lines connecting Prague – Saint Germain and Swanwick. This is an element of the new GRUE network project and the increase in speed is necessary in order for the GRUE network to be operational. The requirement for speed upgrade was a result of the design analysis that has only recently been conducted as a part of the project.

216024	4	2000	2100 2300	350 000 EUR	18/11/2015	Additional funds are required on IT in order to fund a contract for disaster recovery and in order to extend external support from consultants. Additional budget is required on current admin in order to fund an activity in which the GSA will develop an impact assessment of service provision models and a business plan for the exploitation of Galileo and EGNOS services by the GSA from 2020 onwards. The GSA plans to present this to the GSA Administrative Board in March 2016 as a complement to its overall target of becoming a service agency.
216764	5	1100 2000 2200 2400	2100	368,853.71 EUR	06/12/2015	Additional funds are required on IT in order to extend external support from consultants. The possibility to use remaining 2015 budget to sign a longer term contract for external support will not only relieve the needs for IT budget in 2016 but also allow the GSA to benefit from a lower daily rate in the contractor's offer, ultimately saving taxpayer's money.
217030	6	1100 1210 2000 2500	1800,2100 2100 2100 2300	255,000 EUR	14/12/2015	This transfer concerns the reallocation of available funds on a number of budget lines in order to increase the commitment appropriations available to cover additional IT costs and minor additional needs on current administration.

217238	7	1200	1210,2100	138,678.41 EUR	18/12/2015	This transfer concerns the reallocation of available funds on a number of budget lines in order to increase the commitment appropriations available to cover additional IT costs which may be still committed in 2015 and relieve the budget necessary for IT in 2016.
		1300	2100			
		2000	2100			
		2500	2100			
217362	8	1100	1200	117,431.19 EUR	23/12/2015	This transfer concerns the reallocation of available funds on a number of budget lines in order to ensure optimal use of commitment appropriations in 2015 and to increase the commitment appropriations on Title III, in order to sign the final planned contracts for 2015.
		1300	1200,1400			
		1600	1200,1800,3100			
		1700	1200			
		2000	3100			
		2100	2300,3100			

Table2: GSA registers of transfers 2015

In quantitative terms, the GSA carried out the following number of transactions during 2015: 424 commitments and modification of commitments; 3,760 payment requests; 75 recovery orders and 8 internal transfers. All in all, 4,267 financial transactions were processed by the GSA in 2015 (representing a 24% increase on the number processed in 2014).

The GSA succeeded in maintaining its payment time statistics in 2015 with 95% of all payments within the prescribed time limit of 30 days or 90 days for grants and with an average payment time of 13 days.



## **CHAPTER 2**

### **BUDGET EXECUTION IN 2015**

Execution of commitment appropriations (Table 3) remained high in all titles and budget lines, reaching a global 100% execution.

Where 2015 C1 payment appropriations were concerned (Table 4), execution rate was also of 100%. This execution rate incorporates the non-automatic carry forward of payment appropriations to the amount of 83,568.48 EUR adopted by the Administrative Board on 11 February 2016 in order to maximise the use of the remaining payment credits on Title 3.

Budget line	Heading	COMMITMENT APPROPRIATIONS BUDGETED 2015	Commitment Appropriations (CAs)			
			EXECUTED	%	UNSPENT	%
<b>Title 1 - Staff expenditure</b>						
1100	Staff expenditure	10,062,855.57	10,062,855.57	100%	0.00	0%
1200	Recruitment costs	85,000.00	85,000.00	100%	0.00	0%
1210	Medical services	18,000.00	18,000.00	100%	0.00	0%
1300	Missions and travel	1,165,830.90	1,165,830.90	100%	0.00	0%
1400	Training expenditure	212,000.00	212,000.00	100%	0.00	0%
1600	Interims & Trainees	510,186.45	510,186.45	100%	0.00	0%
1700	Representation expenditure	1,251.55	1,251.55	100%	0.00	0%
1800	Tuition fees	906,362.71	906,362.71	100%	0.00	0%
	<b>Total for title 1</b>	<b>12,961,487.18</b>	<b>12,961,487.18</b>	<b>100%</b>	<b>0.00</b>	<b>0%</b>
<b>Title 2 - Administrative expenditure</b>						
2000	Rental of buildings	2,444,994.88	2,444,994.88	100%	0.00	0%
2100	Data processing	1,992,369.58	1,992,369.58	100%	0.00	0%
2200	Movable property	183,987.38	183,987.38	100%	0.00	0%
2300	Current administrative costs	1,040,500.00	1,040,500.00	100%	0.00	0%
2400	Postage and telecommunication costs	318,485.50	318,485.50	100%	0.00	0%
2500	Meetings	55,000.00	55,000.00	100%	0.00	0%
	<b>Total for title 2</b>	<b>6,035,337.34</b>	<b>6,035,337.34</b>	<b>100%</b>	<b>0.00</b>	<b>0%</b>
	<b>Total for titles 1 and 2</b>	<b>18,996,824.52</b>	<b>18,996,824.52</b>	<b>100%</b>	<b>0.00</b>	<b>0%</b>
<b>Title 3 - Operational expenditure</b>						
3100	Expenditure on studies	7,209,589.48	7,209,589.48	100%	0.00	0%
3300	SAB operational expenditure	1,400,000.00	1,400,000.00	100%	0.00	0%
	<b>Total for title 3</b>	<b>8,609,589.48</b>	<b>8,609,589.48</b>	<b>100%</b>	<b>0.00</b>	<b>0%</b>
	<b>TOTAL T1+T2+T3</b>	<b>27,606,414.00</b>	<b>27,606,414.00</b>	<b>100.00%</b>	<b>0.00</b>	<b>0.00%</b>

Table 3: Execution of commitment appropriations 2015, in EUR

Budget line	Heading	PAYMENT APPROPRIATIONS BUDGETED 2015	Payment Appropriations (PAs)					
			PAID IN 2015	%	CARRIED FORWARD	%	TOTAL EXECUTED	%
<b>Title 1 - Staff expenditure</b>								
1100	Staff expenditure	10,062,855.57	10,062,855.57	100%	0.00	0%	10,062,855.57	100%
1200	Recruitment costs	85,000.00	70,832.86	83%	14,167.14	17%	85,000.00	100%
1210	Medical services	18,000.00	4,776.49	27%	13,223.51	73%	18,000.00	100%
1300	Missions and travel	1,165,830.90	1,079,622.27	93%	86,208.63	7%	1,165,830.90	100%
1400	Training expenditure	212,000.00	141,887.36	67%	70,112.64	33%	212,000.00	100%
1600	Interims & Trainees	510,186.45	293,933.56	58%	216,252.89	42%	510,186.45	100%
1700	Representation expenditure	1,251.55	1,223.65	98%	27.90	2%	1,251.55	100%
1800	Tuition fees	906,362.71	649,345.73	72%	257,016.98	28%	906,362.71	100%
	<b>Total for title 1</b>	<b>12,961,487.18</b>	<b>12,304,477.49</b>	<b>95%</b>	<b>657,009.69</b>	<b>5%</b>	12,961,487.18	100%
<b>Title 2 - Administrative expenditure</b>								
2000	Rental of buildings	2,444,994.88	1,999,609.76	82%	445,385.12	18%	2,444,994.88	100%
2100	Data processing	1,992,369.58	608,537.98	31%	1,383,831.60	69%	1,992,369.58	100%
2200	Movable property	183,987.38	33,441.68	18%	150,545.70	82%	183,987.38	100%
2300	Current administrative costs	1,040,500.00	702,245.17	67%	338,254.83	33%	1,040,500.00	100%
2400	Postage and telecommunication costs	318,485.50	131,710.98	41%	186,774.52	59%	318,485.50	100%
2500	Meetings	55,000.00	48,482.57	88%	6,517.43	12%	55,000.00	100%
	<b>Total for title 2</b>	<b>6,035,337.34</b>	<b>3,524,028.14</b>	<b>58%</b>	<b>2,511,309.20</b>	<b>42%</b>	6,035,337.34	100%
	<b>Total for titles 1 and 2</b>	<b>18,996,824.52</b>	<b>15,828,505.63</b>	<b>83%</b>	<b>3,168,318.89</b>	<b>17%</b>	18,996,824.52	100%
<b>Title 3 - Operational expenditure</b>								
3100	Expenditure on studies	2,710,409.48	2,626,841.00	97%	83,568.48	3%	2,710,409.48	100%
3300	SAB operational expenditure	1,077,812.00	1,077,812.00	100%	0.00	0%	1,077,812.00	100%
	<b>Total for title 3</b>	<b>3,788,221.48</b>	<b>3,704,653.00</b>	<b>98%</b>	<b>83,568.48</b>	<b>2%</b>	3,788,221.48	100%
	<b>TOTAL T1+T2+T3</b>	<b>22,785,046.00</b>	<b>19,533,158.63</b>	<b>86%</b>	<b>3,251,887.37</b>	<b>14%</b>	<b>22,785,046.00</b>	<b>100%</b>

Table 4: Execution of C1 payment appropriations 2015, in EU

## **CHAPTER 3**

### **APPROPRIATIONS ARISING FROM EARMARKED REVENUE – DELEGATION AGREEMENTS WITH THE EUROPEAN COMMISSION**

The GSA continued to manage a large number of delegated appropriations by the European Commission during 2015.

#### FP6 2nd call (Budget line 3904) and FP6 3rd call (Budget line 3900):

All FP6 2nd and 3rd call project activities have been finalised. In 2016, the Agency will be working on the administrative closure of the one remaining project where the final payment is pending.

#### FP7 2nd call (Budget line 3913):

The Agency managed twenty-nine projects in total under FP7 2nd call. All of them have finalised their project activity and all, except one, have been financial closed by the end of 2014. The last remaining project will be financially closed in 2016 pending the results of the external audit.

#### FP7 3<sup>rd</sup> call (Budget line 3917):

The Agency managed 39 grant agreements for a total value of 29.7 MEUR. All but one had completed all project activity by the end of 2015. 5 interim and 16 final payments were processed in 2015 (for a total value of approximately 8 MEUR). The GSA plans to financially close the majority of the remaining grants by the end of 2016.

#### PRS Delegation Agreement (Budget line 3918)

The PRS Delegation Agreement covers the implementation of the following tasks: i) development of a standalone first generation PRS receiver within the framework of the PRS Pilot Project; ii) provision of technical assistance to the Commission for setting up the Galileo Security Monitoring Centre (GSMC).

One new commitment was made under this Delegation Agreement in 2015 for 46,605.50 EUR. No payments were made during the course of 2015, the next payments expected early in 2016.

#### Exploitation Delegation Agreement (Budget Line 3919)

The Exploitation Delegation Agreement was signed in May 2012 and made provision for the Agency to carry out budget implementation tasks related to (1) Preparation of EGNOS and Galileo Exploitation; (2) Support to the PRS development; (3) Application Action Plan (APPAP).

Two amendments to the Delegation Agreement had been signed in December 2013, increasing the overall budget by 11,549,193 € to a total of 45,973,193 €. The additional appropriations were assigned to task (1) Preparation of EGNOS and Galileo Exploitation for the purposes of the extended EGNOS Service Provision contract.

A total of 45,878,740.08 € was contracted by 31 May 2014, the deadline for making commitments per the Delegation Agreement, representing 99.79% of the overall delegated budget. All planned payments were made by the end of 2015 when this Delegation Agreement was closed.

#### EGNOS Exploitation Delegation Agreement (Budget Line 3920)

The EGNOS Exploitation Delegation Agreement was signed in April 2014 for a period of 7 years with a delegated budget of 1.45 billion EUR. It makes provision for the Agency to carry out the implementation of tasks related to (A) Programme Management and Engineering Activities; (B) Operational Activities and Service Provision; (C) Communication Activities and (D) Asset Management.

A total amount of 83,264,239 EUR was committed in 2015 with a total of 149,476,557 EUR made in payments.

#### Horizon 2020 1st call (Budget line 3921):

In 2015, the GSA signed 8 new Grant Agreements. In total, 27 grants agreements were signed under 1<sup>st</sup> call of H2020 for a total of 40.43 million EUR. GSA paid pre-financing payments for all 27 projects in 2015 for a total amount of 22.23 million EUR. The projects are on-going and the GSA plans to make first interim payments in 2016.

#### Galileo Exploitation Delegation Agreement (Budget Line 3922)

The Galileo Exploitation Delegation Agreement was signed in October 2014 for a period of 7 years with a delegated budget of 490 MEUR and an additional 300 MEUR was delegated in an amendment to the agreement in December 2015, bringing the total to 790 MEUR. The Delegation Agreement makes provision for the Agency to carry out the implementation of tasks related to (A) Operational Activities; (B) Management Activities; (C) Contribution to definition of mission, service and system evolutions; (D) Activities concerning fundamental elements; (E) Asset management and (F) Contribution to the management of the security activities.

A total amount of 2,517,055.85 EUR was committed in 2015 under this delegation agreement. A total amount of 2,556,195.50 EUR was made in payments in 2015.

#### Horizon 2020 2nd call (Budget line 3923):

In 2015, 9 new grant agreements were signed out of 13 planned under this 2<sup>nd</sup> call. The remaining 4 will be signed in 2016 and the corresponding pre-financing payments will be paid. In total, 24.89 MEUR will be committed for the 13 grant agreements out of which 13.69 MEUR will be paid in pre-financing.

#### Cash flow of delegated budget

New payment appropriations were received by the GSA from the European Commission during the course of 2015, as stipulated in the delegation agreements. These were:

- For FP7 2<sup>nd</sup> call (budget line 3913), an additional 291,546.26 EUR in payment appropriations was received.

- For FP7 3<sup>rd</sup> call (budget line 3917), an additional 1,466,181.82 EUR in payment appropriations was received and recovery orders were raised for a total of 67,450 EUR.
- For the PRS Delegation Agreement (budget line 3918), an additional 4,648,922 EUR in payment appropriations was received in 2015;
- For the Exploitation Preparation Delegation Agreement (budget line 3919) no additional payment appropriations were received from the EC, however a recovery order was raised for 10,914.39 EUR;
- For the EGNOS Exploitation Delegation Agreement, an additional 153,759,176 EUR in payment appropriations was received in 2015;
- For the Horizon 2020 Delegation Agreement, an additional 6,957,035 EUR in payment appropriations was received for the 1<sup>st</sup> call and 13,750,000 EUR for the 2<sup>nd</sup> call;
- For the Galileo Exploitation Delegation Agreement, 155 million EUR was received in pre-financing upon signature of the amendment to the delegation agreement. No further payment appropriations were received in 2015.

BL	Activity	Commitments in 2015	PA 1/1/2015	2015 additional PA received	Payments made during 2015	Remaining PA 31/12/2015
3904	FP6 2 <sup>nd</sup> call	0	1,147,992.98	220,863.70	729,964.46	638,892.22
3900	FP6 3 <sup>rd</sup> call	0	328,164.80	0	0	328,164.80
3913	FP7 1&2 calls	78,095.00	923,966.26	244,806.46	334,448.91	834,323.81
3917	FP7 3 <sup>rd</sup> call	291,638.19	4,833,036.85	1,614,496.97	4,334,264.75	2,113,269.07
3918	PRS DA	46,605.50	3,127,078.00	4,648,922.00	0	7,776,000.00
3919	Exploitation DA		3,967,701.59	10,914.39	3,508,903.21	469,712.77
3920	EGNOS DA	83,264,238.55	136,389,716.92	153,759,176.00	149,476,557.04	140,672,335.88
3921	H2020 DA I	13,434,869.75	21,150,000.00	6,957,035.00	22,167,864.69	5,939,170.31
3922	Galileo DA	2,517,055.85	75,481,312.80	155,000,000.00	2,556,195.50	227,925,117.30
3923	H2020 DA II	16,435,286.67	0.00	13,750,000.00	0.00	13,750,000.00

Table 5: Overview of earmarked revenue during 2015 in EUR

## CHAPTER 4

### PAYMENT APPROPRIATIONS CARRIED OVER FROM 2014 TO 2015 AND CARRIED OVER FROM 2015 TO 2016

Payment appropriations for an amount of 3,418,099.45 EUR were carried over on Title 2 (automatic carry-over) from 2014 to 2015, representing 54% of the total Title 2 budget.

Payment appropriations for an amount of 2,521,163.85 EUR were carried over on Title 2 (automatic carry-over) from 2015 to 2016, representing 42% of the total Title 2 budget and a significant decrease in the carry-over of previous years.

Payment appropriations for an amount of 5,340,257.12 EUR on Title 3 were carried over (non-automatic carry over) from 2014 to 2015 to maintain the GSA's payment capacity on existing legal obligations.

Payment appropriations for an amount of 83,568.48 EUR were carried over on Title 3 (non-automatic carry over) from 2015 to 2016 to maintain the GSA's payment capacity on existing legal obligations. Carry-overs of payment appropriations are possible under Title 3 expenditure given that

these are differentiated appropriations and therefore there is no time limit in which to execute payments.

## CHAPTER 5 ANALYSIS ON OUTSTANDING COMMITMENTS

This chapter summarises the evolution of outstanding commitment balances during 2015 by budget line and title (Table 6).

Where budget lines 1300, 1400, 2000, 2100, 2200, 2300, 2400 and 2500 are concerned cancellations were related to unused C8 credits automatically becoming C9 credits in the following year for staff related and administrative expenditure budget lines.

### GSA - Evolution of outstanding balances 2015

Figures in €

Budget line	Description	(a) Outstanding balances as of 01/01/2015	(b) Payments on outstanding balances in 2015	(c) New 2015 commitments	(d) Payments on new 2015 commitments	(e) Cancellations in 2015	(f)=(a)-(b)+(c)-(d)- (e) Outstanding balances as of 31/12/2015
1100	Staff costs	0.00	0.00	10,062,855.57	10,062,855.57	0.00	0.00
1200	Recruitment	25,922.98	25,922.98	85,000.00	70,832.86	0.00	14,167.14
1210	Medical expenses			18,000.00	4,776.49	0.00	13,223.51
1300	Missions	73,946.72	60,488.10	1,165,830.90	1,079,622.27	13,458.62	86,208.63
1400	Training	130,439.43	117,911.12	212,000.00	141,887.36	12,528.31	70,112.64
1600	Interims & Trainees	0.00	0.00	510,186.45	293,933.56	0.00	216,252.89
1700	Representation	0.00	0.00	1,251.55	1,223.65	0.00	27.90
1800	Tuition fees	341,576.98	341,576.98	906,362.71	649,345.73	0.00	257,016.98
	<b>Total title 1</b>	<b>571,886.11</b>	<b>545,899.18</b>	<b>12,961,487.18</b>	<b>12,304,477.49</b>	<b>25,986.93</b>	<b>657,009.69</b>
2000	Rent	610,937.29	519,407.24	2,444,994.88	1,999,609.76	91,530.05	445,385.12
2100	Data processing	2,054,490.92	1,985,329.66	1,992,369.58	608,537.98	69,161.26	1,383,831.60
2200	Movable property	193,738.19	193,713.80	183,987.38	33,441.68	24.39	150,545.70



	2300	Current admin costs	434,401.53	369,443.54	1,040,500.00	702,245.17	64,957.99	338,254.83
	2400	Post/telecom	115,648.10	115,633.23	318,485.50	131,710.98	14.87	186,774.52
	2500	Meetings	8,883.42	5,337.19	55,000.00	48,482.57	3,546.23	6,517.43
		<b>Total title 2</b>	<b>3,418,099.45</b>	<b>3,188,864.66</b>	<b>6,035,337.34</b>	<b>3,524,028.14</b>	<b>229,234.79</b>	<b>2,511,309.20</b>
	3100	Operations & studies	5,507,641.14	4,255,708.59	7,209,589.48	2,626,841.00	576,518.02	5,258,163.01
	3300	SAB costs	1,449,625.76	311,449.91	1,400,000.00	1,077,812.00	196,580.60	1,263,783.25
		<b>Total title 3</b>	<b>6,957,266.90</b>	<b>4,567,158.50</b>	<b>8,609,589.48</b>	<b>3,704,653.00</b>	<b>773,098.62</b>	<b>6,521,946.26</b>
		<b>Totals</b>	<b>10,947,252.46</b>	<b>8,301,922.34</b>	<b>27,606,414.00</b>	<b>19,533,158.63</b>	<b>1,028,320.34</b>	<b>9,690,265.15</b>

Table 6: Overview of outstanding balances at the end of 2015, in EUR

## CHAPTER 6

### STAFF AND ESTABLISHMENT PLAN FOR 2015

An overview of all staff employed by the GSA during 2015 is provided in Table 7. Moreover, the detailed implementation of the GSA's Establishment Plan is also provided in Table 8.

Three Establishment Plan posts remained vacant at the end of 2015. Staff turnover was high in 2015 (at 8.4%) which can be attributed in the main to a perceived lack of attractiveness in working in Prague and to a repeated lowering of the correction coefficient for the Czech Republic, resulting in lower final salaries for staff members year-on-year.

Human Resources	2015	
	Authorised under the EU Budget	Actually filled as of 31/12/2015
Establishment plan posts: AD	97	94
Establishment plan posts: AST	5	5
<b>Total Establishment plan posts</b>	<b>102</b>	<b>99</b>
Contract Agents	27	36
Seconded National Experts	2	4
<b>Total staff</b>	<b>131</b>	<b>139</b>

*Table 7: Evolution of GSA Staff in 2015*

	2015			
	Authorised under the EU Budget		Filled as of 31/12/2015 (*)	
	Permanent posts	Temporary Posts	Permanent posts	Temporary Posts
AD 16				
AD 15				
AD 14		1		1
AD 13		1		0
AD 12		4		3
AD 11		5		2
AD 10		11		7
AD 9		10		10
AD 8		25		22
AD 7		32		38
AD 6		6		9
AD 5		2		2
<b>AD total</b>		<b>97</b>		<b>94</b>
AST 11				
AST 10				
AST 9				
AST 8				
AST 7				
AST 6		1		0
AST 5		2		1
AST 4		1		1
AST 3		0		2
AST 2		1		
AST 1				1
<b>AST total</b>		<b>5</b>		<b>5</b>
<b>GRAND TOTAL</b>		<b>102</b>		<b>99</b>

Table 8: Establishment plan in 2015

## **PART II**

### **CHAPTER 7**

### **FINANCIAL AND ACCOUNTING SYSTEMS**

Since September 2012, and given the multi-location environment under which the Agency is operating (offices and staff spread out in three EU countries), Paperless, an electronic workflow validation system developed for the GSA has been introduced to carry out all financial transactions in the Agency. No paper has used since September to sign, verify and file financial transactions. Paperless is used together with the standard EU financial tools ABAC Workflow (budgetary management) ABAC SAP (accounting), ABAC Assets (management of fixed assets) and ABAC DWH (financial reporting tool). Paperless was updated with version 2 in April 2014 with new features based on user feedback added, creating more efficiencies in the use of the tool.

The GSA uses the ABAC system, hosted by the Commission, for its budget accounts and for the purposes of its budgetary management i.e. commitment and payment transactions. From this system and together with the use of ABAC Data Warehouse reporting tool, reports on financial management and budget execution are produced.

The general accounts are maintained by the SAP system which is managed and hosted by the Commission.

Since November 2015, the European Commission's Accounting Officer has provided accounting services for the GSA on the basis of a Service Level Agreement.

The GSA uses the ABAC Assets system to manage and account for its fixed assets.

## **CHAPTER 8**

### **FINANCIAL MANAGEMENT**

The GSA continued in 2015 to review and improve on its existing financial procedures. The result of this review in 2015 produced the following notable improvements:

- Treatment of grants – New procedures for the management of H2020 projects and experts through IT tools (Compass/Syigma, EMI) created by the EC were introduced and implemented at GSA. All relevant personnel were trained on how to use them leading to more efficient and effective management of H2020 grants. The procedures for financial management of FP7 projects have been adjusted to (i) take into consideration the new materiality of grant payments; (ii) streamline them in order to manage them more efficiently and focus the effort on higher risk areas.
- Budget Management Tool – Work started at the end of 2014 on the preparation of a new Budget Management Tool and continued throughout 2015. Once fully implemented, this will be a tool spanning across several departments, improving the financial and contract management of the Agency and also serving both internal and external reporting purposes.