



EUROPEAN COMMISSION

Director-General

Luxembourg
ENER.AAE/AK

NOTE FOR THE FILE
Audited annual accounts for the year 2021 of the Euratom Supply Agency
Opinion of the Advisory Committee

In our capacities as Director-General of the Euratom Supply Agency (ESA) and as Secretary of the Advisory Committee of ESA, herewith we have the pleasure to confirm that the Audited annual accounts of ESA for the financial year 2021, were submitted to the Advisory Committee (*hereinafter: AC*). They were presented, duly analysed and discussed during the meeting held in-person in Luxembourg, on 12 May 2022.

The AC delivered a favourable opinion on ESA's audited accounts for 2021, following the submission of a clean audit report by the European Court of Auditors¹ assuring the reliability of the accounts and the legality and regularity of the transactions underlying the accounts.

These issues constituted point 11 on the Agenda of its meeting. Enclosed is the excerpt from the draft minutes.

Thus, the AC delivered a favourable opinion on ESA's audited accounts for 2021.

Electronically signed

Electronically signed

Remigiusz BARAŃCZYK
Secretary of the Advisory Committee

Agnieszka KAŻMIERCZAK
Director-General

¹ The European Court of Auditors' Preliminary Observations on ESA financial Accounts 2021 (Ares(2022)2511142) were received on 4 April 2022 and transmitted to all members of the Agency's Advisory Committee via the secure platform CIRCABC.

Enclosure 1

EXCERPTS FROM THE DRAFT MINUTES
ESA Advisory Committee Meeting, 12 May 2021

[...] QUOTED TEXT BEGINS

(11) Audited financial and budgetary statements for the year 2021 (for consultation) **(A. Vraila)**

The Chairperson gave the floor to Ms Aikaterini VRAILA, ESA's Accounting Officer, to present the audited financial and budgetary statements for the year 2021;

Audited annual accounts 2021

In 2021, the assets owned by the Agency totalled EUR 963 933. They were financed by liabilities of EUR 99 442 (10%) and equity of EUR 864 491 (90%). The liabilities have increased following the introduction of a long-term provision in connection with Brexit. The provision relates to the repayment of the UK called-up share in the Agency's capital of EUR 67 200 and the equal decrease of the Agency's capital. On 31 December 2021, the amount of the instalment called up and reflected in ESA's accounts stood at EUR 518 400 to align with the UK's withdrawal from the EU and Euratom. The fixed assets have increased by 44% at EUR 277 256 (EUR 191 937 in 2020) following the continuation of the development of the internally generated intangible IT system in 2021. The ICT project "Noemi" ("Nuclear Observatory and ESA Management of Information") envisages the management of ESA business core, i.e. nuclear supply contracts and EU security of supply information. The stage 1 of the project was put in production in December 2021.

In the statement of financial performance total revenues amounted to EUR 209 523 (EUR 220 746 in 2020) or 5% lower in comparison with 2020 due to a lower EU contribution, being the sole source of income for the Agency. On the other hand, administrative expenses amounted to EUR 169 405 or 172% higher than the previous year (EUR 62 252 in 2020). The administrative expenses were significantly higher due to the non-capitalised IT development costs for the ICT project "Noemi". Accordingly, the financial year 2021 resulted in a positive economic result of EUR 40 119.

Euratom Supply Agency's 2021 adopted budget amounted to EUR 210 000. A budget amendment was approved in November 2021 as a response to the pandemic crisis, introducing internal transfers from the COVID-19 affected budget lines (missions) to support the transition to the IT system "Noemi". On 31 December 2021, ESA had budget execution of current year's funds (C1) of EUR 209 489.28, or 99.76% of commitment appropriations with cancellations amounting only at EUR 510.72 (0.24%). The executed payments on C1 (current year funds) have doubled in 2021, amounting to EUR 107 522.90, giving an implementation rate of 51.20% of available appropriations (EUR 51 371 or 22% in 2020).

The carrying-forward of outstanding commitments of 2021 to the financial year 2022 stood at EUR 101 966.38 or 49% of committed amounts. Moreover, in 2021, the Agency achieved a very high implementation rate on payments under carried-over funds (C8) from the previous year which totalled to EUR 176 329.90 or 99.30% of available funds. The budget outturn result was positive, calculated at EUR 1 660.21 to be returned to the Commission budget.

ESA's expenses consist only of administrative costs. ESA's running costs partly covered by its own budget include staff missions, IT equipment for its own computer centre, information and communication activities, subscriptions and memberships, organisation of meetings and participation in conferences. Salaries are paid by the European Commission in line with the provisions of Article 4 of ESA's statutes and are not charged to the Agency's budget. The Agency neither manages operational budget lines nor provides grants. The bulk of the Agency's

administrative expenses, including salaries, premises, infrastructure, training, and some IT equipment, is covered directly by the EU budget and is not acknowledged in the Agency's accounts. Those costs and the underlying transactions are included in the EU financial annual accounts. According to an internal estimate based on the methodology of the Commission for the average cost of an EU official, in 2021 the Agency's total average cost covered by the Commission amounted to EUR 2 270 258. Staff salaries represent 79% of total costs (estimated at EUR 1 784 258), the remaining costs, covering buildings and IT related expenses, totalled EUR 486 000 or 21%.

At the end of 2021, the Agency occupied 16 permanent posts (8 administrator and 8 assistant posts). During the year, one recruitment and one retirement have taken place. There was one vacant post at the year-end.

The European Court of Auditors' preliminary audit report on the 2021 accounts

The Agency is annually audited by ECA. The audit mission for the 2021 financial accounts took place between from 28/3 to 1/4/2022. An horizontal audit task, regarding the effectiveness of the conflicts of interest policy of the Agency was also assessed. The ECA reported no observations. Concerning an ongoing finding on the high carry-over rate of payments appropriations from financial year 2020 to 2021, the Court decided to close it, following the successful implementation of the payments in 2021. On 4 April 2022, the European Court of Auditors issued a clean Preliminary Observations Report on ESA financial Accounts 2021².

According to the Agency's Statutes, the AC should provide its favourable opinion on ESA's financial and budgetary statements. The Chair proposed that the AC gives a favourable opinion; No objections were raised, therefore:

(1) The AC delivered a favourable opinion on ESA's audited accounts for 2021.

[...] QUOTED TEXT ENDS

² Ares(2022)2511142