

2008 discharge: European Chemicals Agency (ECHA)

2009/2131(DEC) - 23/03/2010

The Committee on Budgetary Control adopted the report by Véronique MATHIEU (EPP, FR) on discharge to be granted to the European Chemicals Agency, calling on the European Parliament to grant the Executive Director of the Agency discharge in respect of the implementation of its budget for the financial year 2008.

Noting that the Agency's annual accounts for the financial year 2008 are reliable, and the underlying transactions are legal and regular, MEPs approve the closure of its accounts. However, they make a number of recommendations that need to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on financial management and control of EU agencies (see [2010/2007\(INI\)](#)):

- **Performance:** recognising the role played by the Agency and the quality of the implementation of its multiannual work programme, Members underline that the Agency would benefit from developing feedback procedures and from developing a stronger customer focus. It also stresses, in particular, that the smooth and quite rapid establishment of the Agency is mainly due to the effective support provided by its parent directorate-general, exchanges of experience with other similar agencies and the provision of strong support by the host country.
- **Budgetary and financial management:** the report notes that the Court of Auditors highlights delays in the operational activities caused by difficulties in implementing the IT system and a lack of qualified staff. A large amount of commitment appropriations for operational activities were carried over and even cancelled. It calls, therefore, on the Agency to take steps to improve the planning and monitoring of its resources. The report concludes from the annual closure of accounts and the amount of interest payments that the Agency maintains enormously high cash reserves over long periods. Members note that as of 31 December 2008 the Agency's cash reserves amounted to EUR 18 747 210,75. They call on the Commission to examine ways of ensuring that the principle of needs-based cash management is implemented to the full and that the Agency's cash reserves are kept as low as possible on a long-term basis.
- **Human resources:** Members recall the need for careful implementation of the recruitment procedure. They are aware that the large-scale rotation in key positions in the Agency entails a business continuity risk and they ask the Agency therefore to put in place well-defined handover procedures in order to ensure a smooth transition of functions and a consistent handover of relevant activities, files or procedures.
- **Internal audit:** lastly, Members call on the Agency to implement the recommendations set out by the Internal Audit Service.