2011 discharge: European Chemicals Agency (ECHA)

2012/2203(DEC) - 05/09/2012 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Chemicals Agency (ECHA) for the financial year 2011, together with the Agency's replies.

CONTENT: in accordance with the tasks conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, the Court presents to the European Parliament and to the Council, in the context of the discharge procedure, a Statement of Assurance as to the reliability of the annual accounts of each institution, body or agency of the EU, and the legality and regularity of the transactions underlying them, on the basis of an independent external audit.

This audit concerned, amongst others, the annual accounts of the European Chemicals Agency (ECHA).

In the Court's opinion, the Agency's **Annual Accounts fairly present, in all material respects, its financial position as of 31 December 2011** and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation.

The Court also considers that the **transactions underlying the annual accounts** of the Agency for the financial year ended 31 December 2011 are, in all material respects, **legal and regular**.

The report confirms that the Agency's 2011 budget amounted to EUR 93.2 million and that the number of staff employed by the Agency at the end of the year was 542.

The report also makes a series of observations on the budgetary and financial management of the Agency, accompanied by the latter's response. The main observations may be summarised as follows:

Court's comments:

- carry-overs: the Court notes that carry-overs related to operational expenditure amounted to EUR 11.5 million (55 %). The level of carryovers is excessive and at odds with the budgetary principle of annuality;
- recruitment: the Court identified shortcomings in the recruitment procedures. There is no evidence that thresholds for passing the various stages of the procedures or questions for interviews or written tests were set before the examination of applications.

Agency's replies:

- ECHA states that it will formalise its fixed asset management policy in 2012, while due attention will be given to the physical check at year end;
- it has conducted a review of its recruitment procedure, including the declarations of interests, with the aim to further improve them and to ensure adherence to best practice.

Lastly, the Court of Auditors' report contains a summary of the **Agency's activities in 2011**. This is focused on the following:

- registration, pre-registration and data-sharing;
- evaluation;

- authorisation and restriction;
- classification and labelling;
- advice and assistance;
- scientific and practical advice for the further development of legislation;
- communication;
- relations with EU Institutions and international cooperation.