2011 discharge: European Food Safety Authority (EFSA)

2012/2196(DEC) - 18/09/2012 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Food Safety Authority (EFSA) for the financial year 2011, together with the Authority'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 Food Safety Authority (EFSA).

In the Court's opinion, the **Authority'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 Authority 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 78.8 million and that the number of staff employed by the Agency at the end of the year was 355.

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 observations:

- budgetary management: the Court notes weaknesses in budget planning and implementation and is at odds with the principle of specification;
- building policy: the Authority purchased a new headquarters building in December 2011 for EUR 36.8 million which will be paid by quarterly instalments over 25 years, resulting in interest payments of EUR 18.5 million. The Court questions whether a more economic alternative could have been sought from the budgetary authorities in accordance with the principle of sound financial management and ensuring full respect of the Financial Regulation;
- there is room for improving the transparency of recruitment procedure.

Authority's response:

- the Authority states that it will consider adapting its budget structure within the overall budgetary framework to reduce fragmentation and needs for transfers in the future;
- EFSA states that it acquired its headquarters following modalities cleared by the Budgetary Authority foreseeing payment spread over 25 years. EFSA has asked recently the European Commission to consider requesting additional resources to the Budgetary authority to shorten the purchase calendar. Such anticipated purchase is possible at no costs for EFSA;
- EFSA recruitment procedures are fully compliant with regulatory requirements and it adapted its relevant processes in January 2012.

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

- scientific outputs and supporting publications: scientific opinions and advice, risk assessment approaches;
- evaluation of products, substances and claims subject to authorisation;
- data collection, scientific cooperation and networking;
- various publications.