2011 discharge: European Chemicals Agency (ECHA)

2012/2203(DEC) - 22/03/2013 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Gerben-Jan GERBRANDY (ADLE, NL) on discharge to be granted to the Executive Director of the European Chemicals Agency (ECA) in respect of the implementation of the Agency's budget for the financial year 2011.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Agency for the financial year 2011 are reliable and that the underlying transactions are legal and regular, Members approve the closure of the Agency’s 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 performance, financial management and control of EU agencies:

- **Financing, budget and financial management**: Members recall that the Agency's overall budget for the financial year 2011 was of EUR 93.2 million, which represents an increase of 23.44%. They note that during the financial year 2011, the Agency operated as a self-financed agency and **did not receive any reimbursable subsidy** from the Commission. The Agency is financed through fees paid by industry for registrations of chemical substances.
- **Implementation rate of appropriations**: Members observe that the budget execution rate for 2011 was 96%. The total amount of carryover of commitment and payment appropriations was of EUR 14 421 314.76, representing 16.2% of the established commitments. They call on the Agency to inform the discharge authority of the actions taken to address that deficiency as the level of carryover is excessive and at odds with the budgetary principle of annuality. They also note that a large amount of appropriations was simply cancelled.
- **Conflicts of interest**: Members welcome the efforts made in this area but still state that the Agency did not adequately manage situations involving conflicts of interest. Members note, moreover, that the Agency's policies for managing conflict of interest were incomplete, declarations of interest were neither screened nor published but sealed and training on conflict of interest was absent. They call on the Agency to introduce in its annual activity reports a special section describing the actions taken to prevent and manage conflicts of interest, which shall include, *inter alia*: the number of conflicts of interest cases verified, the number of revolving door cases, the measures taken in each category of cases, the number of breach of trust procedures launched and their outcomes and the sanctions applied.

Lastly, Members made a series of observations as regards the recruitment procedures and the control systems of this Agency.