2014 discharge: European Chemicals Agency (ECHA)

2015/2184(DEC) - 08/09/2015 - 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 2014, together with the Agency's reply.

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.

Statement of Assurance: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the Agency, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2014;
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Court's opinion, the Agency's annual accounts present fairly, in all material respects, its financial position as at 31 December 2014 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer.

Opinion on the legality and regularity of the transactions underlying the accounts: the Court considers that the transactions underlying the annual accounts for the year ended 31 December 2014 are legal and regular in all material respects.

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:

The Court's observations:

- **budgetary management**: the court indicates that the level of committed appropriations carried over to 2014 for operational expenses was EUR 8.5 million, i.e. 35 %. These carry-overs mainly resulted from the multiannual nature of planned IT development projects (EUR 4.5 million), and costs for translations ordered in 2014 but not received and paid by the end of the year. The expenditure for procedures associated with one new specific activity of the Agency, the implementation of the Regulation concerning biocidal products was to be, covered by application fees for the registration of these products. However, fees collected in 2014 covered only 17 % of this expenditure.

The Agency's reply :

- **budgetary management**: the Agency appreciates the conclusion of the Court and will continue to be attentive to avoid any non-justified carry-over operations. It states that the fees triggered by the 2014 applications under the Biocidal Products Regulation covered the Agency's related cost only

for a small part. The original Commission assumption, that the Agency would be largely self-financing, has proven to be incorrect, as the national and EU fees have a bias in favour of national applications and mutual recognitions rather than Union authorisations for biocidal products.

Lastly, the Court of Auditors' report contains a **summary of the Agency's activities** in 2014. This is focused on the following:

Budget: EUR 113.2 million, of which:

- revenue from fees: EUR 27.2 million; EUR 25.9 million in respect of fees and charges under the REACH Regulation and EUR 1.3 million in respect of fees and charges collected under the Biocidal Products Regulation;
- Union contribution: EUR 7.8 million, including support for the implementation of the Regulation concerning the making available on the market and use of biocidal products, the balancing contribution, an EFTA contribution and a contribution under the Regulation concerning the export and import of hazardous chemicals.

Activities:

- number of registration dossiers processed: 9 001;
- number of confidentiality requests assessments completed: 636;
- number of new inquiries received: 1 000;
- number of decisions issued on data sharing disputes: 5;
- number of substances on which info made public (excluding confidential info): 12 888.

The Agency also:

- evaluated conformity checks;
- evaluated final decisions on testing proposals;
- received 6.4 million classification and labelling notifications for over 1 33 000 substances;
- gave advice and assistance, including to EU institutions and bodies;
- established of scientific IT tools;
- conducted communication activities (including through its website or specific publications);
- carried out international cooperation in its area of competence;
- achieved SO 9001 certification;
- successfully concluded open calls for tenders.

Lastly, 2 094 biocides applications (applications for new active substances, renewals or review, Union authorisations of products) were processed and transmitted to Member States.