2017 discharge: European Chemicals Agency (ECHA)

2018/2198(DEC) - 01/03/2019 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Petri SARVAMAA (EPP, FI) on discharge in respect of the implementation of the budget of the European Chemicals Agency (ECHA) for the financial year 2017.

The committee called on the European Parliament to grant the Executive Director of the Agency discharge in respect of the implementation of the agency's budget for the financial year 2017.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Agency for the financial year 2017 were reliable and that the underlying transactions were legal and regular, Members called on Parliament to approve the closure of the Agency's accounts.

They made, however, a number of recommendations that needed 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:

Agency's financial statements

The final budget of the Agency for the financial year 2017 was EUR 110 530 554 representing a slight decrease of 0.28 % compared to 2016.

Budget and financial management

Budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 98 %, representing an increase of 1 % compared to 2016.

Members noted that thanks to the Agency's effective system of ex-post verifications, the Agency identified that some 55 % of the micro companies and SMEs had categorised their size incorrectly resulting in lower fees. They urged the national enforcement authorities to enhance the verification systems of the volumes declared by the companies.

They also noted with concern that as the third registration deadline for chemicals under the REACH Regulation expires in 2018, income from fees and charges is expected to drop from 2019 onwards and the Agency will become more reliant on the Union budget to finance its operations.

The cancellation of carry-overs from 2016 to 2017 amounted to EUR 364 031, representing 2.64 % of the total amount carried over, showing a decrease of 5.23 % in comparison to 2016.

Members also made a series of observations regarding performance, staff policy, procurement and internal controls.

In particular, they noted that:

- that approximately 15 900 registration dossiers were received in 2017 (out of which 8 500 generating a fee), which represents an increase of 48.6 % compared to 2016. This increase in registration activity is directly linked to the last REACH registration deadline of 1 June 2018;

on 31 December 2017, the establishment plan was 96.52 % executed, with 444 temporary agents appointed out of 460 temporary agents authorised under the Union budget;

- having selected the new building and having signed a lease contract in 2017, the Agency is planning to move to new premises in Helsinki in January 2020. This move is due to the partial malfunctioning of its current building, particularly as regards the air quality issues in the current premises.