2003 discharge: European Agency for Safety and Health at Work

2004/2061(DEC) - 30/12/2004

This report from the Court of Auditors concerns the results of the audit carried out by the Court on the annual accounts of the European Agency for Safety and Health at Work for the financial year ended 31 December 2003.

The Court has obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2003 were reliable and that the underlying transactions, taken as a whole, were legal and regular.

The report highlights that the appropriations entered into the final budget for the Agency amount to EUR 14.6 million which EUR 14.1 was committed but only EUR 7.5 million was paid. Of this amount, EUR 6.6 million was carried over to 2004 and EUR 500 000 have been cancelled.

The carry-overs of appropriations mainly concern the operational activities of the budget and, despite a significant reduction, represent more than 45 % of the commitments entered into (against 60% in 2002).

In its report concerning the financial year 2002, the Court noted shortcomings in checks on a programme of subsidies for the collation and dissemination of good practices to reduce the risks to health and safety in small and medium-sized enterprises. In 2003, the Agency paid 3, 1 million euro on the basis of an analysis of the activity reports and financial reports concerning 53 projects under this programme. The declarations of expenditure of 20 of these projects were audited by the Court.

As the date of the end of the programme approached, the Agency reduced its demands in terms of financial documentation in support of requests for final payment. The result was that, in the case

of five of the 20 files examined, payments had been made to the extent of 348 000 euro on the basis of nothing more than a declaration of expenditure, without adequate supporting documents and in some cases with none. In its reply to the Court's report concerning the financial year 2002, the Agency was examining the possibility of carrying out checks at project holder level. No such check was carried out in 2003.

As the Court pointed out in its opinion on the financial year 2002, the audit of the budgetary accounts again revealed shortcomings in the definition of ex ante financial checks and the relevant formal procedures.

The Agency responds point by point to the observations made by the Court. The Agency confirms its continuous commitment towards reducing the amount of carry-overs in line with the principle of annuality of the budget. Compared with 2002, the Agency has significantly reduced carry-overs in 2003 (from 60 to 45 %). As in 2002 carry-overs are mainly due to the proper implementation of the SME funding scheme, which has a clear two-year implementation cycle.

Lastly, the Agency wishes to note that, in order to reinforce the control of expenditures, all contracts signed from September 2003 onwards with the Topic Centres include a clause by which the beneficiary will carry out an external audit of the use of the funds made available by the grant agreement. The auditors shall produce their professional opinion, the purpose of the audit being to certify that the financial documents submitted to the Agency by the beneficiary comply with the financial provisions of the agreement, that the costs declared are the actual costs and that all receipts have been declared.