2004 discharge: European Food Safety Authority

2005/2119(DEC) - 07/12/2005 - Court of Auditors: opinion, report

This report from the Court of Auditors concerns the annual accounts of the European Food Safety Authority for the financial year ended 31 December 2004.

The Court states that the Authority's accounts for the financial year ended 31 December 2004 are, in all material respects, reliable. Except for the situation of the recruitment of personnel, the transactions underlying the Authority's annual accounts, taken as a whole, are legal and regular.

The report shows that the appropriations entered in the final budget amount to EUR 29 092 000 with EUR 21 252 000 committed and EUR 15 919 000 paid. EUR 5 684 000 were carried over to 2005 and EUR 7 488 000 were cancelled. The outstanding commitments carried over from the previous year amount to EUR 4 233 000.

Valuation of the part of the carry-overs of appropriations that is to be treated as expenditure when calculating the economic outturn for the financial year is based on the declarations of the authorising officers by delegation. These declarations must be drawn up in such a way as to enable the accounting officer to assess the Authority's actual expenses, which has not often been the case.

As regards the management of fixed assets, the Court highlights significant weaknesses, in particular as regards the identification of the items to be entered in the inventory. Moreover, the methods used to compile the physical inventory are unsatisfactory.

On the recruitment of staff, decisions relating to the rejection of applicants are not substantiated and the final reports on the selection procedures are often incomplete or even, in the case of auxiliary staff, non-existent. The computer application used during the first stages of the selection procedure for candidates does not guarantee the integrity of the data recorded.

The grading of the staff recruited is often not substantiated or certified by supporting documents. Moreover, auxiliary staff were recruited without a selection procedure. Furthermore, persons who had delivered attestations in favour of certain candidates also acted as members of the selection board for these candidates. Attestations had been delivered in favour of two people stating that they were going to be recruited as temporary staff, although the Appointing Authority had reached no decision in this connection. In one case, a successful candidate who was not appointed was recruited directly to a different post.

Concerning the issue of procurement, one contract was concluded on the basis of two bids, even though the financial regulation stipulates that there should be at least three tenderers for contracts to the value in question. In another case, the Chairman of an Evaluation Committee was a former employee of the company which won the contract. The members of this Committee included a direct subordinate of its

Chairman. In one last case, a contract was concluded by direct negotiation without any of the conditions laid down by the provisions being observed. The Court stresses that the Authority must make every effort to improve the transparency of its decisions on staff recruitment and the award of contracts in order to guarantee observance of the rules in force and to avoid all suspicion of bias.

The Authority responds point by point to the Court's observations:

- the Authority will ensure that the system implemented, intended to inform the accounting officer of expenditure for the financial year, is more accurate and reliable. The Authority will carry out a full check of its inventory in November 2005, once the move to Parma is complete. The method used involves entering goods in the inventory as soon as they are received or, at the latest, at the time of payment of the goods;

- selection procedures have been strengthened in order to improve their transparency, as well as that of the recruitment decisions. The shortcomings observed by the Court were due to the speed with which the Authority had to be set up. The computer application referred to by the Court is now only used as a database. Since September 2004 a simplified selection procedure has been organised for the recruitment of auxiliary staff. Members of the selection board are obliged to state if a candidate is known to them at the time of the interviews for selection. The Authority is examining measures to minimise the risk of bias in selection boards. An attestation of recruitment as temporary staff was issued for two successful candidates for posts to be filled once the budget allowed it, namely six months later;

- in order to adhere more closely to the rules governing the award of contracts, the Authority has taken various measures and has set up an internal network aimed at improving understanding of the rules in force and at training the relevant staff. As regards the cases described by the Court, the composition of Evaluation Committees is determined by EFSA in accordance with the general principles in use and depending on the number of people able to carry out a technical evaluation, which is limited in a small institution. The conclusion of a contract by direct negotiation was due to a complication in planning. Since then, the service has been the subject of a procurement procedure.

To conclude, the Authority states that it has always sought to comply with the rules in force and will continue its efforts in terms of equal treatment and transparency in both its recruitment and public procurement policy.