

2005 discharge: European Agency for Safety and Health at Work

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Having examined the revenue and expenditure account for the financial year 2005, the balance sheet of revenue and expenditure at 31 December 2005 of the European Agency for Safety and Health at Work, the Council recommends the European Parliament to give a discharge to the Director of the Agency in respect of the implementation of the budget for the financial year 2005.

In doing so, the Council confirms that EUR 2.5 million (86%) of the EUR 2.9 million in appropriations carried forward from the financial year 2004 to the financial year 2005 have been utilised. In addition, EUR 2.8 million in appropriations have been carried forward from the financial year 2005 to the financial year 2006 and EUR 2.1 million have been cancelled.

In parallel, the Council makes accompanying comments on the discharge which should be followed up. In particular, it:

- notes that the detailed rules for the implementation of the Agency's new Financial Regulation and the Internal Control Standards were adopted in December 2005 and March 2006 respectively. As far as the Agency's **internal control system** is concerned, the Council expects a systematic approach to risk analysis to be developed without any further delays;
- notes that in respect of **transfers of appropriations**, it is concerned about their high number, the inadequate supporting documentation and the absence of control mechanisms to check that the rules and limits applicable are observed. Furthermore, it points out that the high number of transfers and the persistently high carry-over rate for operating expenditure (Title III) necessitate further improvements in the Agency's financial and budgetary management;
- notes with concern the deficiencies observed in **recruitment** and public procurement procedures, in particular non-adequate documentation of these procedures. It calls on the Agency to take all the necessary measures to remedy these deficiencies as early as possible in order to ensure the transparency and impartiality of the decisions made.