Basic information

2006/2166(DEC) DEC - Discharge procedure	Procedure completed
2005 discharge: European Food Safety Authority **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	HERCZOG Edit (PSE)	20/04/2006

Committee for opinion	Rapporteur for opinion	Appointed
ENVI Environment, Public Health and Food Safety	HAUG Jutta (PSE)	14/09/2006

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2787	2007-02-27

European Commission

Commission DG	Commissioner
Budget	KALLAS Siim

Key events

Date	Event	Reference	Summary
31/10/2006	Non-legislative basic document published	N6-0034/2006	Summary
29/11/2006	Committee referral announced in Parliament		
26/03/2007	Vote in committee		Summary
02/04/2007	Committee report tabled for plenary	A6-0112/2007	
24/04/2007	Decision by Parliament	T6-0125/2007	Summary
24/04/2007	Results of vote in Parliament		
24/04/2007	Debate in Parliament		
24/04/2007	End of procedure in Parliament		

15/07/2008	Final act published in Official Journal		

Technical information

Procedure reference	2006/2166(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/42423

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE384.445	09/02/2007	
Committee opinion	ENVI	PE382.439	28/02/2007	
Amendments tabled in committee		PE386.412	08/03/2007	
Committee report tabled for plenary, single reading		A6-0112/2007	02/04/2007	
Text adopted by Parliament, single reading		T6-0125/2007	24/04/2007	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05711/2007	07/02/2007	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
OS	Non-legislative basic document	N6-0034/2006 OJ C 266 31.10.2006, p. 0022	31/10/2006	Summary
CofA	Court of Auditors: opinion, report	N6-0001/2007 OJ C 312 19.12.2006, p. 0001	19/12/2006	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2008/0531
OJ L 187 15.07.2008, p. 0167

2005 discharge: European Food Safety Authority

2006/2166(DEC) - 24/04/2007 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution drafted by Edit **HERCZOG** (PSE, HU), by 604 votes for, 23 against and 50 abstentions, and granted the executive director of the European Food Safety Authority discharge for the implementation of the Authority's budget for the financial year 2005. It then approved the closing of the accounts of the Authority for the financial year 2005.

The Parliamentary resolution is divided into two parts. The first contained general points, and concerned the majority of EU Agencies requiring individual discharge. The second part contained specific points relating to the Agency.

General points: Parliament considers that the ever-growing number of Community Agencies and the activities of certain of them do not seem to form part of an overall policy framework, and that the remits of some Agencies do not always reflect the real needs of the Union. Accordingly, it invites the Commission to define an overall policy framework for the setting up of new Community Agencies and to present a cost-benefit study before the setting up of any new agency, while being careful to avoid any overlap of activities between Agencies or with the remits of other European organisations. Parliament calls on the Court of Auditors to give its opinion on this cost-benefit study before Parliament takes its decision, and it asks the Commission to present every five years a study on the added value of every existing Agency. ; invites all relevant institutions In the case of a negative evaluation of the added value of an Agency, all relevant institutions are asked to take the necessary steps by reformulating the mandate of that Agency or by closing it.

In view of the constantly increasing number of Agencies, Parliament feels that the Directorates-General of the Commission charged with the setting up and monitoring of Agencies must develop a common approach to the Agencies. It also asks the Commission to improve administrative and technical support to the Agencies. Parliament regretted that the negotiations on the draft interinstitutional agreement on the operating framework for the European regulatory agencies have not yet been concluded, and calls on the Commission, in consultation with the Court of Auditors, to do their utmost to ensure that the agreement is brought to a rapid conclusion. Noting that the Commission's budgetary responsibility calls for closer linking of the Agencies to the Commission, Parliament calls on the Commission and the Council to take all necessary steps to give the Commission a blocking minority in the supervisory bodies of the regulatory Agencies by 31 December 2007 and to provide for such a minority from the outset when new Agencies are set up. It invites the Court of Auditors to create an additional chapter in its Annual Report, devoted to all Agencies to be discharged under the Commission's accounts in order to have a much clearer picture of the use of EU funds by Agencies.

Parliament goes on to ask the Commission to come up with a proposal to harmonise the format of the annual reporting by the Agencies and to develop performance indicators which would allow a comparison of their efficiency. The Commission is urged to monitor and direct the management of the Agencies, especially in relation to the proper application of tender procedures, transparency of recruitment procedures, sound financial management and, most importantly, the proper application of the rules concerning the internal control framework.

Specific points concerning the EFSA: Parliament noted that the financial year 2005 was marked by a significant under-implementation of the budget, with only 80 % of commitment and payment appropriations being used. It felt that the Authority should make a serious effort to improve the use it makes of the appropriations with which it is entrusted. Parliament strongly deplored the fact that the changes it made to the establishment plan were not respected and that the Authority restored the grades initially provided for in the draft budget in respect of 19 posts without informing Parliament. It noted the failure to introduce activity-based management, and regretted the fact that the Authority did not carry out a risk analysis or formally lay down internal control systems and procedures.

Parliament went on to note with regard to recruitment that the Authority rejected candidates on the basis of criteria other than those provided for in the vacancy notices and, in addition, did not observe the regulatory provisions concerning the grades of selection board members in relation to the posts to be filled. It insisted on the strict application of the relevant criteria and on an effective check as to whether the documents submitted by candidates in support of their applications actually offer genuine proof. It was noted that the Authority had difficulties in recruiting highly skilled scientific staff in Parma.

Parliament regretted that a considerable number of anomalies were revealed during the audits carried out on the award and conclusion of contracts.

Lastly, the buildings intended to house the Authority permanently are still not available and the Authority was obliged to rent and fit out temporary premises (cost in 2005: approximately EUR 3 500 000). Parliament invited the Authority, together with the Commission, to clarify this situation with the national authorities, in particular with a view to any financial compensation.

2005 discharge: European Food Safety Authority

2006/2166(DEC) - 24/04/2007 - Final act

PURPOSE: to grant discharge to the European Food Safety Authority for the financial year 2005.

LEGISLATIVE ACT: Decision 2008/531/EC of the European Parliament on the discharge for the implementation of the budget of the European Food Safety Authority for the financial year 2005.

CONTENT: with the present decision, the European Parliament grants discharge to the Executive Director of the European Food Safety Authority for the implementation of the Authority's budget for the financial year 2005.

This decision is in line with the European Parliament's resolution adopted on 24 April 2007 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 24/04/2007).

2005 discharge: European Food Safety Authority

2006/2166(DEC) - 31/10/2006 - Non-legislative basic document

PURPOSE: presentation of the final accounts of the European Food Safety Authority for the financial year 2005.

CONTENT: this document published in the Official Journal of the EU sets out a detailed account of the implementation of the 2005 budget, including the revenue and expenditure and the balance sheet for the year concerned.

According to this document, the final budget amounted to **EUR 36.9 million** (against EUR 29.1 million in 2004) including a 100% Community contribution.

As regards the staffing policy, the Authority, whose headquarters are now based in Parma (Italy), officially set out 194 posts in its establishment plan. 124 are currently occupied with + 36 other staff (auxiliary contracts, seconded national experts, local staff, and employment agency staff) totalling 160 (139 in 2004) posts assigned to administrative and operational duties.

Staff expenditure amounted to EUR 16.3 million.

The Authority's competences and activities are summarised below:

- of the 301 requests for scientific opinions made to the EFSA in 2005 (which represents an increase of 65 % compared with 2004), 163 opinions were adopted and published. They covered many areas including aromatic plants, genetically modified organisms (with the WHO), bovine spongiform encephalopathy (BSE) or transmissible spongiform encephalopathy (TSE). In addition the Authority published its first annual report on animal diseases and other important publications on the determination of risk in the food sector;

- the communication of risks and, in general, the activities of the communication department saw a 40 % increase in the number of communications to the public in 2005. Consultations of the EFSA's website also doubled in 2005. The coordination of the communication of risks was stepped up through the advisory forum and workshops organised;

- the networking of the EFSA with interested parties, national authorities and institutional counterparts intensified through the setting-up of a forum for interested parties. The Advisory Forum met five times with a view to working as a network with the national authorities on specific topics such as coordination in the event of a crisis scenario or increasing the use of the extranet linking the national authorities, the Commission and the EFSA;

- as regards the assessment of the EFSA in 2005, the final consultants' report was published on the EFSA's website by the Management Board which submitted its recommendations at the end of June 2006.

The complete version of the final accounts may be found at the following address:

http://www.efsa.europa.eu/en/about_efsa/efsa_funding/accounts.html

2005 discharge: European Food Safety Authority

2006/2166(DEC) - 19/12/2006

This report from the Court of Auditors concerns the annual accounts of the European Food Safety Authority for the financial year ended 31 December 2005.

The Court states that the Authority's accounts for the financial year ended 31 December 2005 are, in all material respects, reliable. Except for the situation of the award and conclusion of contracts, 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 36 857 000** with EUR 29 462 000 committed and EUR 23 154 000 paid. EUR 6 308 000 were carried over to 2006 and EUR 7 395 000 were cancelled. The outstanding commitments carried over from the previous year amount to EUR 5 684 000.

The Court made the following observations:

- the financial year 2005 was marked by a significant under-implementation of the budget: only 80 % of commitment and payment appropriations were used. This shows that the Authority should make a serious effort to improve the use it makes of the appropriations with which it is entrusted to achieve its objectives;

- the Budgetary Authority had amended the establishment plan attached to the Authority's draft 2005 budget, as adopted by its Management Board, in particular by significantly amending the distribution of available posts between each grade. These amendments should have resulted in a reduction of the appropriations earmarked for expenditure on salaries and even for operating expenditure. This reduction was not made and enabled the Authority

to restore the grades initially provided for in the draft budget in respect of 19 posts without informing the Budgetary Authority, by the expedient of drawing up a supplementary and amending budget;

- the Court noted the failure to introduce activity-based management although this is laid down by the Authority's financial regulation, along the lines of what was applied to the general budget with a view to improving performance monitoring;

- the Authority did not carry out a risk analysis or formally lay down the internal control systems and procedures it follows. The Court also noted shortcomings in expenditure control (supporting documents missing, unjustified requests for additional services);

- with regard to recruitment, the Authority rejected candidates on the basis of criteria other than those provided for in the vacancy notices and, in addition, did not observe the regulatory provisions concerning the grades of selection board members in relation to the posts to be filled;

- a **considerable number of anomalies were revealed during the audits carried out on the award and conclusion of contracts**. In a great many of the cases examined, the Court was unable to check that the statutory minimum number of tenderers had been invited to take part in the contracts procedure. The Court noted that the application of the selection criteria was not systematically documented;

- the buildings intended to house the Authority permanently are still not available. The Authority was thus obliged to rent and fit out temporary premises (cost in 2005: approximately EUR 3.5 million). When the Authority takes possession of its new premises, it will again have to bear installation costs. The Authority, together with the Commission, should clarify this situation with the national authorities, in particular with a view to any financial compensation. Pending a solution, this should be taken into account when drawing up the budgetary estimates.

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

- in 2006, EFSA reinforced its budget monitoring by organising regular reviews, a mid-year budget execution analysis and forecasts and will continue to strengthen the planning of its activities aiming at reaching a full budget execution;

- considering that by amending EFSA 2005 Establishment Plan, the Budgetary Authority reduced a certain number of posts which were already occupied in 2004, the Authority had to meet its legal obligation towards those agents and maintain their posts in conformity with its Financial Regulation and modify this Plan;

- Activity Based Management will be progressively implemented by EFSA as it is an essential tool to perform its activities efficiently;

- EFSA has adopted internal control standards in July 2005 and continues its efforts in order to fully implement them. In addition, the Authority plans to perform a risk analysis for 2007;

- as a priority in 2006, the Authority has taken measures in order to strengthen the controls around recruitment procedures and reinforce their transparency and will continue its efforts to guarantee observance of the rules in force;

- the Authority will ensure that internal control systems of the procurement procedures are strengthened in order to fully comply with the rules in force. In 2006, specific trainings on tendering procedures will be organised and better systems implemented to reinforce the controls on such procedures have been set-up;

- the Authority has brought to the attention of the Budgetary Authorities and the Commission the cost of EFSA premises and will keep them informed on the progress of its final seat project.

2005 discharge: European Food Safety Authority

2006/2166(DEC) - 07/02/2007

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

In doing so, it confirms that EUR 3.6 million (64%) of the EUR 5.7 million in appropriations carried forward from the financial year 2004 to the financial year 2005, have been used. In addition, EUR 6.3 million in appropriations have been carried forward from the financial year 2005 to the financial year 2006 and EUR 9.5 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 Court has been able to issue a statement of reasonable assurance on the reliability of the Authority's annual accounts. However, it regrets that in respect of the reasonable assurance as to the legality and regularity of the underlying transactions, taken as a whole, the Court has excluded some situations relating to the award and conclusion of contracts;
- is concerned with the fact that the Authority has not fully respected the rules in force regarding the **contract award process**, such as the statutory minimum number of tenders required to take part in the contracts procedure, the documentation of the application of the selection criteria, or the rules related to the appointment of evaluation committees. It also regrets that in one framework contract the clauses included in it had not been observed. Consequently, it calls on the Authority to pursue tightening up its internal control system of the procurement procedures;
- highlights that as regards **budgetary management**, it expects the Authority to take the appropriate measures to improve the implementation of its budget, and ensure that the resources are not mobilised unnecessarily. It also stresses the importance of the introduction by the Authority of an activity-based management, as laid down in the Authority's Financial Regulation, with a view to improving performance monitoring;
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also calls on the Authority to follow the Court's remarks regarding the need to solve the shortcomings detected in **expenditure control**, mainly concerning the carrying out of risk analysis;

- as in the previous year, the Council notes with concern that regarding **staff recruitment**, the procedures used for the selection of candidates were incorrect or not duly justified, and calls on the Authority to take the appropriate measures to remedy all the weaknesses detected by the Court, mainly by improving the application of the selection criteria in its recruitment processes.

2005 discharge: European Food Safety Authority

2006/2166(DEC) - 27/02/2007

The Council, on the basis of intensive preparatory work, approved a recommendation on the discharge to be given to the Directors of the 16 European Union agencies for implementation of their budget for 2005. The recommendation will be submitted to the European Parliament, in accordance with the budgetary discharge procedure.

The Council makes reference to the **Court of Auditors report on translation expenditure** (see summary of the document annexed to the Commission's discharge procedure DEC/2006/2070 dated 8 February 2007 06162/2007). It adopted the following conclusions:

Firstly, it states that it welcomes the Court's special report on translation expenditure - which amounted to EUR 511 million in 2005 - incurred by three institutions in particular as it covers the period of the accession of 10 new Member States, increasing the number of official and working languages to 21. In this context, it underlines the importance of the translation of documents in a European Union **multilingual environment** with equal treatment of the languages of its Member States.

It emphasises that translation demands are to be met in time and in adequate quality, as an essential part of the legislative process keeping the cost under control as well as having adequate procedures to give priority to essential translations which implies efficient and effective management of translation resources. It regrets, however, that in some cases politically important information which should be translated has been included in non translated annexes of documents.

The Council notes with satisfaction that the Court of Auditors stated that the institutions have generally met translation needs in the EU-15 languages in required quality inter alia by recourse to freelance translators. It regrets that all three institutions have faced structural difficulties in providing a sufficient volume and acceptable quality into the EU-10 languages. It expects the institutions to further enhance the degree of multilingualism as regards the information provided on their websites.

Moreover, the Council regrets the fact that the institutions, with the exception of the Commission for 2002, have not calculated their total costs or the average cost per page translated and invites them to do so from now on and inform the budgetary authority on a regular basis.

It notes with concern the fact that the productivity of the EU translation services is much lower than in the private sector, partly due to more effective use of IT tools in the private sector, although the quality of internal translation is recognised to be higher. It notes the long term action plan by the Council General Secretariat to increase its productivity by reducing the number of "full-time equivalent" in the EU-15 language units.

Inter-institutional cooperation: the Council advocates inter-institutional cooperation being reinforced to all institutions in order to improve the efficiency and the procedures and to reduce the costs in the field of translations. It urges the institutions to set up proper forecasting system and improve the system of workload balancing in order to make better use of spare capacity and to avoid unnecessary outsourcing. In 2005, according to the Court, EUR 11 million of freelance translation costs could have been saved by the Commission and by the Parliament by giving the non-urgent documents to be translated for other institutions. It regrets that it was not possible for the institutions to recruit enough translators in EU-10 languages which has resulted in quality and deadline problems in the EU-10 translations and it recommends that sufficient EU-10 translator resources should be ensured by measures increasing awareness and fostering interest in the Community's translation activity in the EU-10 Member States and other Candidate Countries. It recommends that similar measures be taken for Bulgaria and Romania.

The Council emphasises that future measures are to be taken by the institutions to contain the volume translated including control of the size of documents, without prejudice of equal treatment of EU official and working languages taking into account the operational effectiveness, and adoption of a fit-for-purpose approach for authorised texts for translation and encourages the institutions to improve their work planning and comply with the deadlines for requesting translations.

Lastly, the Council requests the institutions to improve the efficiency of the translation process in particular by intensifying the recourse to IT tools, reduction of secretarial support, working methods based on best practices and teleworking. It also invites the Court to examine also the translation expenditure of the other institutions and bodies.