## Basic information

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|---|---|
| **2006/2159(DEC)**<br>DEC - Discharge procedure | Procedure completed |
| 2005 discharge: European Agency for Safety and Health at Work<br>**Subject**<br>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 |
|---|---|---|
| EMPL Employment and Social Affairs | OOMEN-RUIJTEN Ria (PPE-DE) | 22/11/2006 |

### 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 | N6-0027/2006 | Summary |
| 29/11/2006 | Committee referral announced in Parliament | | |
| 26/03/2007 | Vote in committee | | Summary |
| 30/03/2007 | Committee report tabled for plenary | A6-0105/2007 | |
| 24/04/2007 | Decision by Parliament | T6-0118/2007 | Summary |
| 24/04/2007 | Results of vote in Parliament | | |
| 24/04/2007 | Debate in Parliament | | |
| 24/04/2007 | End of procedure in Parliament | | |

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|---|---|---|---|
| 15/07/2008 | Final act published in Official Journal | | |

## Technical information

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| **Procedure reference** | 2006/2159(DEC) |
| **Procedure type** | DEC - Discharge procedure |
| **Legal basis** | Rules of Procedure EP 102 |
| **Stage reached in procedure** | Procedure completed |
| **Committee dossier** | CONT/6/42410 |

## Documentation gateway

**European Parliament**

| Document type | Committee | Reference | Date | Summary |
|---|---|---|---|---|
| Committee draft report | | PE384.438 | 09/02/2007 | |
| Committee opinion | EMPL | PE382.562 | 01/03/2007 | |
| Amendments tabled in committee | | PE386.410 | 08/03/2007 | |
| Committee report tabled for plenary, single reading | | A6-0105/2007 | 30/03/2007 | |
| Text adopted by Parliament, single reading | | T6-0118/2007 | 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 | N6-0027/2006<br>OJ C 266 31.10.2006, p. 0019 | 31/10/2006 | Summary |
| CofA | Court of Auditors: opinion, report | N6-0001/2007<br>OJ C 312 19.12.2006, p. 0001 | 19/12/2006 | Summary |

## Additional information

| Source | Document | Date |
|---|---|---|
| European Commission | EUR-Lex | |

## Final act

Budget 2008/0517
OJ L 187 15.07.2008, p. 0114 Summary

# 2005 discharge: European Agency for Safety and Health at Work

2006/2159(DEC) - 31/10/2006 - Non-legislative basic document

PURPOSE: presentation of the final accounts of the European Agency for Safety and Health 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 13.7 million** (compared to EUR 10.7 million in 2004) of which 96% stems from a Community subsidy (DG Employment) and the remaining 3% from DG Enlargement.

As regards the staffing policy, the Agency whose headquarters are based in Bilbao, set out 40 posts in its establishment plan of which 32 are currently occupied. 20 other posts (auxiliary contracts, seconded national experts, local staff and employment-agency staff) are also occupied totalling 52 posts assigned to operational, administrative and mixed tasks.

Staffing expenditure represented EUR 4 579 000.

As regards the Agency's activities in 2005, further development of focal point networks was made (implementation of 2nd generation network) as well as institutional capacity building in candidate countries (PHARE programme). A European Week 2005 campaign on Noise finished with a European summit in Bilbao. The 3rd generation web-based information services on occupational safety and health was created and a global occupational safety and health portal was launched. Information products were published on good practice in agriculture and risk Observatory information products (e.g. reports on noise, MSD and stress, web information on construction and agriculture, among other topics; identification of emerging biological and chemical risks) were published.

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

http://agency.osha.eu.int

# 2005 discharge: European Agency for Safety and Health at Work

2006/2159(DEC) - 24/04/2007 - Final act

PURPOSE: to grant discharge to the European Agency for Safety and Health at work for the financial year 2005.

LEGISLATIVE ACT: Decision 2008/517/EC of the European Parliament on the discharge for the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2005.

CONTENT: with the present decision, the European Parliament grants discharge to the Director of the European Environment Agency for the implementation of the Agency'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 Agency for Safety and Health at Work

2006/2159(DEC) - 19/12/2006

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 2005. The Court states that its audit was planned and performed to obtain reasonable assurance that the accounts are reliable and the underlying transactions are legal and regular. The Agency's accounts for the financial year ended 31 December 2005 are, in all material respects, reliable.

The report shows that the appropriations entered in the final budget amount to **EUR 13 738 000** with EUR 12 464 000 committed and EUR 9 209 000 paid. EUR 2 844 000 was carried over to 2006, and EUR 1 685 000 cancelled.

The Court makes the following observations:

- the commitment rate for appropriations entered in the budget for the financial year 2005 was over 90 %. Nevertheless, the carry-over rate remained high for operating expenditure (Title III), at 30 %, whereas the cancellation rate for appropriations carried over was close to 15 %. Such a situation should prompt the Agency to improve its programming and adhere to it more strictly. The management of the budget shows a high number of transfers of appropriations between budget lines. The supporting documentation for these transfers is inadequate. Moreover, no control mechanism has been put in place to check that the rules and limits applicable to transfers are observed;

- implementation of the internal control system was not yet complete in 2005. The Governing Board has not adopted any internal control standards;

- the general implementing provisions concerning the recruitment of staff to the Agency do not specify the criteria and formalities to be observed at the various stages in the selection of candidates;

- the Court's examination of public procurement procedures showed that often no supporting evidence was given for the tender evaluation committee's assessments of the quality of the bids. Furthermore, the evaluation reports are signed only by the authorising officer responsible and not by all the members of the tender evaluation committee. In order that the principle of transparency may be respected, decisions taken during a tendering procedure must be rigorously documented.

The Agency responds point by point to the Court's observations. Firstly, it states that it is in the process of improving its financial management. Its global carry-over rate has been reduced from 27 % in 2004 to 20 % in 2005 and cancellation of carry-overs has been reduced from nearly 900 000 euros in 2004 to about 400 000 euros in 2005. Concerning the transfer of appropriations, the Agency is taking measures to improve its budget management.

Internal Control Standards have been adopted by the Governing Board in March 2006. Operational verification of transactions is done by each unit in accordance with the nature of the operation. This procedure will be formalized. The Agency is developing a systematic approach to risk analysis.

For each competition the criteria for the pre-selection of candidates to be interviewed are agreed by a Selection Committee nominated by the Director. Nevertheless, the Agency is taking measures to improve the documentation of the selection processes. Lastly, the Agency is taking measures to improve the documentation of contract processes.

# 2005 discharge: European Agency for Safety and Health at Work

2006/2159(DEC) - 24/04/2007 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution drafted by Edit **HERCZOG (PSE, HU),** and granted the director of the European Agency for Safety and Health at Work discharge for the implementation of the Agency's budget for the financial year 2005. It then approved closing the accounts of the Agency 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 EASHW:** Parliament invited the Agency to improve its programming in view of the fact that the commitment rate for appropriations entered in the budget for the financial year 2005 was over 90 % and that the carry-over rate remained high for operating expenditure (Title III) was at 30 %. The cancellation rate for appropriations carried over was close to 15 %. It felt that the Agency to be a source of important information for all EU institutions, for political decision-making, for the business world and for the general public. However, Parliament deplored the fact that there was no risk analysis and no checklists to meet the needs of authorising officers and staff who perform operational checks. It noted that the general implementing provisions concerning the recruitment of staff to the Agency did not specify the criteria to be observed at the various stages of the selection of candidates.

Lastly, Parliament considered it regrettable that in public procurement procedures often no supporting evidence was given for the tender evaluation committee's assessments of the quality of the bids, and that the evaluation reports were signed only by the authorising officer responsible and not by all the members of the tender evaluation committee.

# 2005 discharge: European Agency for Safety and Health at Work

2006/2159(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.

# 2005 discharge: European Agency for Safety and Health at Work

2006/2159(DEC) - 07/02/2007

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.