

Basic information	
2007/2059(DEC) DEC - Discharge procedure	Procedure completed
2006 discharge: European Food Safety Authority EFSA Subject 8.70.03.07 Previous discharges	

Key players				
European Parliament	Committee responsible		Rapporteur	Appointed
	CONT Budgetary Control		MARTIN Hans-Peter (NI)	27/03/2007
	Committee for opinion		Rapporteur for opinion	Appointed
	ENVI Environment, Public Health and Food Safety		HAUG Jutta (PSE)	09/10/2007
Council of the European Union	Council configuration		Meetings	Date
	Economic and Financial Affairs ECOFIN		2847	2008-02-12
European Commission	Commission DG		Commissioner	
	Budget		KALLAS Siim	

Key events			
Date	Event	Reference	Summary
30/03/2007	Non-legislative basic document published	SEC(2007)1055 	Summary
25/10/2007	Committee referral announced in Parliament		
26/03/2008	Vote in committee		Summary
03/04/2008	Committee report tabled for plenary	A6-0120/2008	
22/04/2008	Decision by Parliament	T6-0153/2008	Summary
22/04/2008	Results of vote in Parliament		
22/04/2008	Debate in Parliament		

22/04/2008	End of procedure in Parliament		
31/03/2009	Final act published in Official Journal		

Technical information	
Procedure reference	2007/2059(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/53881

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee draft report		PE396.701	13/02/2008	
Committee opinion	ENVI	PE400.457	03/03/2008	
Amendments tabled in committee		PE402.779	06/03/2008	
Committee report tabled for plenary, single reading		A6-0120/2008	03/04/2008	
Text adopted by Parliament, single reading		T6-0153/2008	22/04/2008	Summary
Council of the EU				
Document type	Reference	Date	Summary	
Supplementary non-legislative basic document	05843/2008	29/01/2008	Summary	
European Commission				
Document type	Reference	Date	Summary	
Non-legislative basic document	SEC(2007)1055 	30/03/2007	Summary	
Other institutions and bodies				
Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N6-0004/2008 OJ C 309 19.12.2007, p. 0001	15/11/2007	Summary

Additional information		
Source	Document	Date

Final act

Budget 2009/0219
OJ L 088 31.03.2009, p. 0184

[Summary](#)

2006 discharge: European Food Safety Authority EFSA

2007/2059(DEC) - 22/04/2008 - Final act

PURPOSE: to grant discharge to the European Food Safety Authority for the financial year 2006.

LEGISLATIVE ACT: Decision 2009/219/EC of the European Parliament on the discharge for the implementation of the budget of the European Food Safety Authority for the financial year 2006.

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 2006.

This decision is in line with the European Parliament's resolution adopted on 22 April 2008 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 22/04/2008).

2006 discharge: European Food Safety Authority EFSA

2007/2059(DEC) - 22/04/2008 - Text adopted by Parliament, single reading

The European Parliament adopted, by 612 votes in favour, 17 against and 44 abstentions, a Decision to grant the Director of the European Food Safety Authority discharge in respect of the implementation of its budget for the financial year 2006. The decision to grant discharge also constitutes closure of the accounts of this EU agency.

At the same time, the Parliament adopted by 612 votes in favour, 18 against and 42 abstentions, a Resolution containing the comments which form part of the decision giving discharge. The report had been tabled for plenary by Hans-Peter **MARTIN** (NI, AT) on behalf of the Committee on Budgetary Control.

As is the case for all EU agencies, Parliament's Resolution is divided into two parts: part one contains general comments on EU agencies, while part two focuses on the specific case of the Authority.

1) General comments on the majority of EU agencies: the Parliament notes that the budgets of the 24 agencies and other satellite bodies audited by the Court of Auditors totalled **more than EUR 1 billion** and that the number of agencies is constantly increasing. The number of agencies subject to the discharge procedure evolved from 8 in 2000 to 20 in 2006. It concludes therefore that the auditing/discharge process has become cumbersome and disproportionate compared to the relative size of the agencies and that, in the future, this type of procedure should be simplified and rationalised for decentralised agencies.

On the basis of the financial analysis, the Parliament is of the following opinion:

- **Fundamental considerations:** given the constantly increasing number of agencies, the Parliament requests that, before the creation of a new agency, the Commission provide clear explanations regarding agency type, objectives of the agency, internal governance structure, products, services, clients and stakeholders of the agency, formal relationship with external actors, budget responsibility, financial planning, and personnel and staffing policy. It also requests that each agency be governed by a yearly performance agreement which should contain the main objectives for the coming year and that the performance of the agencies be regularly audited by the Court of Auditors (and extend the financial analysis of expenditure to also cover administrative efficiency and effectiveness). More generally, the Parliament takes the view that, in the case of agencies, which are continually overestimating their respective budget needs, technical abatement should be made on the basis of vacant posts in order to reduce the assigned revenue for the agencies and therefore also lower administrative costs of the EU. It recalls that it is a serious problem that a number of agencies is criticised for not following rules on public procurement, the Financial Regulation, the Staff Regulations etc., and considers that the principal reason for this is that most regulations and the Financial Regulation are designed for bigger institutions rather than for small agencies. Therefore, it is necessary to seek a rapid solution in order to enhance the effectiveness of the legislation by grouping the administrative functions of various agencies together or by establishing implementing rules which are better adapted to the agencies. The Parliament also insists that the Commission, when drafting the Preliminary Draft Budget, take into consideration the results of budget implementation by the individual agencies in former years and revise the budget requested by the particular agency accordingly. If the Commission does not undertake this revision, the Parliament invites **the competent committee to revise, itself, the budget in question to a realistic level**. At the same time, the Parliament recalls that it expects the Commission to present every five years a study on the added value of every existing agency and to not hesitate to close an agency if it is deemed useless by the analysis. Such an assessment is

expected as soon as possible given that this type of assessment has yet to be presented. Furthermore, the Parliament insists that recommendations of the Court of Auditors should be promptly implemented and the level of subsidies paid to the agencies should be aligned with their real cash requirements.

- **Presentation of reporting data:** noting that there is no standard approach among the agencies with regard to the presentation of information, the Parliament recalls that it already invited the directors of the agencies to accompany their annual activity report with a declaration of assurance concerning the legality and regularity of operations, similar to the declarations signed by the Directors General of the Commission. It therefore asks the Commission to amend its standing instructions to the agencies and to produce a harmonised model for presenting information, including: i) an annual report intended for a general readership on the body's operations, work and achievements; ii) financial statements and a report on implementation of the agency's budget; iii) an activity report of the Directors of the agency (as requested by the Parliament since 2005); iv) a declaration of assurance signed by the body's director.
- **General findings by the Court of Auditors:** the Parliament refers to certain recurring findings by the Court, including the disbursement of subsidies paid by the Commission (not sufficiently justified estimates of the agencies' cash requirements), the non implementation of the ABAC accounting system by some agencies or the accrued charges for untaken leave which are accounted for by some agencies. It calls for rapid measures in these areas as well as improvements to the internal audit procedures of the agencies. The Parliament also calls on the agencies to consider an inter-agency disciplinary board, as some individual agencies have difficulty in setting up their own disciplinary boards due to their size.
- **Draft inter-institutional agreement:** the Parliament recalls the Commission's draft Interinstitutional agreement on the operating framework for the European regulatory agencies (see [ACI/2005/2035](#)), which was intended to create a framework for the creation, structure, operation, evaluation and control of the European regulatory agencies, and awaits its adoption as soon as possible. It particularly welcomes the Commission's commitment to bring forward a Communication on the future of the regulatory agencies during the course of 2008.

2. Specific points concerning the European Food Safety Authority: the Parliament underlines the Authority's role in all matters with a direct or indirect impact on food safety, including animal health and welfare and plant protection. It acknowledges, in particular, the significant progress made by this Agency, which produced 132 opinions and four reports.

While, overall, the Parliament expresses its satisfaction with the implementation of the 2006 budget lines, it believes that the Authority still needs to stabilise its structures. It notes, for example, that under-spending of payments in 2006 was mainly related to the Authority's difficulties in recruiting highly skilled scientific staff in Parma (only two-thirds of the 250 posts available under the Authority's establishment plan had been filled by the end of 2006).

The Parliament also notes with concern the large number of transfers made by the Authority, with a high concentration of them at year-end, meaning that the budgetary principle of specification was not strictly observed.

The Parliament also notes:

- the lack of a comprehensive risk assessment by the Authority and a lack of clear performance indicators to record the results of its activities;
- inconsistencies in the Authority's accounts (in 2007, an amount of EUR 2.7 million, corresponding to cancelled pre-financing and bank interest (2005 outturn) had to be reimbursed to the Commission);
- very large transfers of appropriations at the end of the financial year (a EUR 6,9 million global transfer to adjust available appropriations to real needs and to avoid an end-of-year surplus, in the light of lower than expected recruitment and delays in the implementation of grants for scientific cooperation).

2006 discharge: European Food Safety Authority EFSA

2007/2059(DEC) - 30/03/2007 - Non-legislative basic document

PURPOSE: presentation of the final accounts of the European Food Safety Authority for the financial year 2006.

CONTENT: this document sets out a detailed account of the implementation of the 2006 budget, including the revenue and expenditure and the balance sheet for the year concerned.

According to this document, the final budget amounted to **EUR 40.2 million** (in comparison to EUR 36.9 million in 2005) including a 100% Community contribution.

As regards the staffing policy, the Authority, whose head office is based in Parma (Italy), officially set out 250 posts in its establishment plan. 173 are currently occupied with + 57 other staff (auxiliary contracts, seconded national experts, local staff, and employment agency staff) totalling 230 posts assigned to administrative and operational duties. Staff expenditure in 2006 amounted to EUR 17.238 million (final budget appropriations paid).

During 2006, the Authority's activities can be summarised as follows:

- following the 323 requests for scientific opinions made to the EFSA in 2006, 132 opinions and 4 reports were adopted and published. They covered many areas dealt with by the 9 scientific panels, including aromatic plants, genetically modified organisms (with the WHO), bovine spongiform encephalopathy (BSE) or transmissible spongiform encephalopathy (TSE);
- EFSA's communication of risks to the public and its activities in general have been broadly acknowledged as a result of 4 600 articles covering the Authority's scientific work. Consultation of EFSA's website also increased, with 1.33 million hits, and there were 12 200 subscribers to EFSA Highlights. The coordination of the communication of risks was stepped up through the Advisory Forum and the workshops organised;

- EFSA's networking with interested parties, national authorities and institutional counterparts intensified through the activities of, inter alia, a forum for interested parties and programmes aimed at the new Member States or candidate countries;
- the Advisory Forum met five times with a view to networking with national authorities on specific topics, such as coordination in the event of a crisis scenario and increasing the use of the extranet linking national authorities, the Commission and EFSA;
- with regard to the assessment of EFSA in 2005, the Management Board submitted its recommendations in the summer of 2006 and their implementation has been ongoing since then.

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

2006 discharge: European Food Safety Authority EFSA

2007/2059(DEC) - 15/11/2007

PURPOSE: presentation of the report by the Court of Auditors on the 2006 annual accounts of the European Food Safety Authority.

CONTENT: the report indicates that the appropriations entered in the Agency's budget for the financial year in question are **EUR 40.249 million**. EUR 36.408 million was committed and EUR 28.519 million paid. Of this overall amount, EUR 7.889 million was carried over to 2007 and EUR 3.841 million was cancelled.

The Court notes that the annual accounts are reliable in all material respects and that the underlying transactions of the Authority's accounts, taken as a whole, are legal and regular.

Analysis of the accounts by the Court: the Court indicates that, in 2006, 56% of appropriations for administrative expenditure (Title II) and 50% of those for operational activities (Title III) resulted in payment. At the end of 2006, 20% of appropriations carried over from 2005 were cancelled. A large number of transfers were made with a high concentration of them at the year-end. Thus, the budgetary principles of **annuality** and **specification** were not strictly observed, according to the Court.

The Court indicates that final payments, of a total amount of EUR 500 000, were made in spite of insufficient supporting documentation. Moreover, it was difficult to assess the adequacy of the checks carried out to verify the correctness and completeness of the financial information submitted by the supplier.

The Court also pointed out that the Authority had neither set realistic recruitment objectives, nor defined priorities with regard to vacancies. The Authority had also not fixed deadlines for each **recruitment** procedure. At the end of the year, only two-thirds of the 250 posts available under the Authority's 2006 establishment plan had been filled.

With regard to **procurement procedures**, the following irregularities were observed:

- the selection criteria were either not stated, or not applied;
- the price evaluation method was not defined until the evaluation procedure was underway;
- the description of the quality criteria was too vague;
- the composition of the evaluation committee did not comply with the principle of hierarchical independence of its members.

The Authority's replies: the Authority replies to all of the criticisms one by one and indicates that the payment rate in 2006 (Title III) reflects the increased multi-annual nature of the operations. It states that, in 2007, it will improve its budget forecasting and monitoring to reduce transfers in number and volume. It will also increase control on carryovers by the 2007 closing of accounts.

Regarding internal control, the Authority indicates that an action plan was implemented in order to increase awareness. Moreover, internal control self-assessment as well as high-level corporate risk assessment are part of the 2007 work plan.

Concerning the payments audited by the Court, the Authority indicates that it reinforced the financial verification team by hiring two additional staff members during the first quarter of 2007 and implemented checklists during the second quarter of 2007. Furthermore, a recruitment plan defined for 2007 was adopted by the Authority's management, in order to enable the Authority to recruit the number of staff members as foreseen in its establishment plan.

Finally, concerning procurement procedures, the Authority indicates that these are not recent as some were launched in 2004 and that other contracts were awarded in 2005 and 2006. The Authority continues, however, to improve compliance with applicable procurement rules, in particular through a reinforced central support unit, update of guidance documents and, since 2007, by the recruitment of a new staff member responsible for the support of tendering procedures. Moreover, the Authority made an important effort to train its staff in procurement matters (various training sessions were organised in 2006 and 2007 - over 100 staff members participated).

2006 discharge: European Food Safety Authority EFSA

2007/2059(DEC) - 29/01/2008

Based on the observations contained in the revenue and expenditure account and the balance sheet of the European Food Safety Authority (EFSA) for the financial year 2006, as well as on the Court of Auditor's report and the Authority's replies to the Court's observations, the Council recommends that the Parliament grant the Director of the Authority discharge in respect of the implementation of the budget for the financial year 2006.

In doing so, the Council confirms that EUR 5 million (80%) of the appropriations carried over from 2005 to 2006 (EUR 6.3 million) was used, that the appropriations carried over from 2006 to 2007 amount to EUR 7.9 million and that a total of EUR 3.8 million was cancelled.

Recalling that the Court of Auditors was able to obtain reasonable assurance that the Authority's annual accounts were, in all material aspects, reliable, the Council believes that there are a certain number of observations that must be taken into consideration when providing the discharge on the implementation of the 2006 budget, particularly regarding the following points:

- **transfers and carryovers:** the Council calls upon the Authority to improve its planning of expenditure, in accordance with the principles of annuality and specification, in order to reduce the rate of carryovers to a minimum and to limit the number of transfers as much as possible. Last year (see [DEC/2006/2166](#)), the Council had already requested that the Authority take measures to improve the implementation of its budget. In this context, the Council hopes that the Authority will provide, in due time, information on the progress accomplished;
- **control:** the Council also calls on the Authority to further its efforts concerning financial verification and the implementation of control, to avoid the reoccurrence of the inadequacies noted by the Court. Moreover, it notes the lack of an overall assessment of recurring risks and weaknesses concerning the internal control procedures, while taking account of the actions undertaken by the Authority to improve the situation;
- **recruitment procedure:** the Council again calls upon the Authority to establish a recruitment policy comprising realistic goals and to define rules, priorities and clear deadlines, in order to complete its establishment plan as planned;
- **procurement procedure:** the Council regrets that the Court has, again, found a certain number of anomalies. Nonetheless, it takes note of the measures taken by the Authority to resolve them, in particular, the recruitment of new members of staff assigned to the support of tendering procedures and the implementation of specific training for a large number of staff members.