

| Basic information  |                     |
|--|---------------------|
| <b>2009/2131(DEC)</b><br>DEC - Discharge procedure<br>2008 discharge: European Chemicals Agency (ECHA)<br><b>Subject</b><br>8.70.03.07 Previous discharges | Procedure completed |

| Key players                   |   |  |                  |
|-------------------------------|---|--|------------------|
| European Parliament           | <b>Committee responsible</b>  | <b>Rapporteur</b>  | <b>Appointed</b> |
|                               | <span style="border: 1px solid red; padding: 2px;">CONT</span> Budgetary Control                          | MATHIEU HOUILLON<br>Véronique (PPE)  | 01/10/2009       |
|                               |   | Shadow rapporteur<br>STAVRAKAKIS Georgios (S&D)<br>GERBRANDY Gerben-Jan (ALDE)<br>STAES Bart (Verts/ALE) |                  |
|                               | <b>Committee for opinion</b>  | <b>Rapporteur for opinion</b>  | <b>Appointed</b> |
|                               | <span style="border: 1px solid red; padding: 2px;">ENVI</span> Environment, Public Health and Food Safety | HAUG Jutta (S&D)   | 06/10/2009       |
| Council of the European Union | <b>Council configuration</b>  | <b>Meetings</b>  | <b>Date</b>      |
|                               | Economic and Financial Affairs ECOFIN   | 2994   | 2010-02-16       |
| European Commission           | <b>Commission DG</b>  | <b>Commissioner</b>  |                  |
|                               | Budget  | ŠEMETA Algirdas  |                  |

| Key events |  |  |         |
|------------|--|--|---------|
| Date       | Event                                      | Reference  | Summary |
| 23/07/2009 | Non-legislative basic document published   | SEC(2009)1089<br> | Summary |
| 07/10/2009 | Committee referral announced in Parliament |  |         |

|            |   |   |         |
|------------|---|---|---------|
| 23/03/2010 | Vote in committee                       |   | Summary |
| 26/03/2010 | Committee report tabled for plenary     | <a href="#">A7-0089/2010</a>  |         |
| 21/04/2010 | Debate in Parliament                    |  |         |
| 05/05/2010 | Decision by Parliament                  | <a href="#">T7-0104/2010</a>  | Summary |
| 05/05/2010 | Results of vote in Parliament           |  |         |
| 05/05/2010 | End of procedure in Parliament          |   |         |
| 25/09/2010 | Final act published in Official Journal |   |         |

| Technical information      |                           |
|----------------------------|---------------------------|
| Procedure reference        | 2009/2131(DEC)            |
| Procedure type             | DEC - Discharge procedure |
| Other legal basis          | Rules of Procedure EP 165 |
| Stage reached in procedure | Procedure completed       |
| Committee dossier          | CONT/7/01122              |

| Documentation gateway                               |  |                              |            |         |
|---|--|------------------------------|------------|---------|
| <b>European Parliament</b>                          |  |                              |            |         |
| Document type                                       | Committee  | Reference                    | Date       | Summary |
| Committee draft report                              |  | <a href="#">PE430.458</a>    | 02/02/2010 |         |
| Committee opinion                                   | <span style="border: 1px solid red; padding: 2px;">ENVI</span>                                       | <a href="#">PE431.041</a>    | 23/02/2010 |         |
| Amendments tabled in committee                      |  | <a href="#">PE439.366</a>    | 03/03/2010 |         |
| Committee report tabled for plenary, single reading |  | <a href="#">A7-0089/2010</a> | 26/03/2010 |         |
| Text adopted by Parliament, single reading          |  | <a href="#">T7-0104/2010</a> | 05/05/2010 | Summary |
| <b>Council of the EU</b>                            |  |                              |            |         |
| Document type                                       | Reference  | Date                         | Summary    |         |
| Document attached to the procedure                  | <a href="#">05827/2010</a>   | 01/02/2010                   | Summary    |         |
| <b>European Commission</b>                          |  |                              |            |         |
| Document type                                       | Reference  | Date                         | Summary    |         |
| Non-legislative basic document                      | SEC(2009)1089<br> | 23/07/2009                   | Summary    |         |
| <b>Other institutions and bodies</b>                |  |                              |            |         |
| Institution/body                                    | Document type  | Reference                    | Date       | Summary |
|   |  |                              |            |         |

|      |                                    |  |            |                         |
|------|------------------------------------|--|------------|-------------------------|
| CofA | Court of Auditors: opinion, report | N7-0012/2010<br><a href="#">OJ C 304 15.12.2009, p. 0001</a> | 08/10/2009 | <a href="#">Summary</a> |
| CofA | Document attached to the procedure | N7-0036/2009<br><a href="#">OJ C 269 10.11.2009, p. 0001</a> | 10/11/2009 |                         |

| Additional information |                         |      |
|------------------------|-------------------------|------|
| Source                 | Document                | Date |
| European Commission    | <a href="#">EUR-Lex</a> |      |

| Final act  |                         |
|--|-------------------------|
| Decision 2010/0520<br><a href="#">OJ L 252 25.09.2010, p. 0146</a> | <a href="#">Summary</a> |

## 2008 discharge: European Chemicals Agency (ECHA)

2009/2131(DEC) - 23/07/2009 - Non-legislative basic document

PURPOSE: to present the final accounts of the European Chemicals Agency for the financial year 2008.

CONTENT: this document sets out a detailed account of the implementation of the European Chemicals Agency's budget for the financial year 2008. It notes that the final budget amounts to EUR 66.4 million in 2008 and which represents a EUR 62.6 million Community contribution and a EUR 3.8 million fee income.

As regards the staffing policy, the Agency, whose head office is in Helsinki (Finland), employed 220 staff members. 210 are currently occupied and + 34 other staff (contract agents, seconded national experts and Interims) totalling 244 assigned to operational, administrative and support tasks.

In 2008, the Agency concentrated on the following activities:

- **Preparations and capacity building as a new Agency** in fields of registration, evaluation, authorisations and restrictions, classification and labelling and committees
- Development of **REACH-IT system** and other IT systems
- **Administrative and management systems** build up

In addition, on an **operational level**:

- Number of pre-registered substances: 150 000
- 65 000 companies signed up
- Number of dossiers registered: 1 460
- Number of questions answered by helpdesk: 12 325
- Number of new guidance documents issued: 6
- Number of guidance updates issued: 10
- Candidate list: 15 substances included.

The complete version of the final accounts may be found at the following address: [http://echa.europa.eu/publications/annual\\_accounts\\_en.asp](http://echa.europa.eu/publications/annual_accounts_en.asp)

## 2008 discharge: European Chemicals Agency (ECHA)

2009/2131(DEC) - 08/10/2009

PURPOSE: to present the report by the Court of Auditors on the 2008 annual accounts of the European Chemicals Agency (ECHA).

CONTENT: in the Court's opinion, the Agency's Annual Accounts fairly present, in all material respects, its financial position as of 31 December 2008 and the results of its operations and its cash flows for the year then ended. The transactions underlying the Agency's annual accounts for the financial year ended are, in all material respects, legal and regular.

The Court of Auditor's report includes a detailed section on the Agency's expenditure and an analysis of the expenditure, as well as the Agency's replies.

- **The Court's analysis of the accounts:** in its report, the Court makes a number of observations in particular as regards the financial and budgetary management. The Court states that budgetary payments amounted to EUR 36.4 million, 54% of the amount committed. The operational activities in particular were delayed due to difficulties in implementing the IT system and the lack of qualified staff. Commitment appropriations amounting to EUR 20 million were foreseen for operational activities but EUR 8.2 million of these were carried forward and EUR 7.5 million cancelled. This situation is at odds with the annuality principle and indicates weaknesses in the planning of the Agency's activities. The Court insists that for a significant number of transactions were irregular. Payment appropriations were unduly carried forward to 2009. This situation indicates a need for the Agency to improve its procedures for the following-up the use of its appropriations. Moreover, the Court notes that the Agency's Director appointed himself chairman of the selection board in 14 recruitment procedures. Given his prerogatives as Appointing Authority, the independence of the other members, of these selection boards who are temporary agents subordinated to the Director was not guaranteed. The audit of three procedures showed weaknesses in the documentation summarising the work of the selection boards: in particular, a lack of justification for the decisions taken at the various stages in the selection process.
- **The Agency's replies:** the Agency states that as for other starting Agencies ECHA's expenditure planning was difficult and the resulting budget implementation for 2008 by ECHA was suboptimal. For its **first year of financial independence**, the Management Board agreed to take over the Commission's estimate for the 2008 budget. These estimates were developed under high levels of uncertainty and were on the safe side. The fast entry into operation (1.6.2008) and the extremely high number of pre-registrations (EUR 2.7 million instead of the estimated 132 000) required a concentration of resources on one single activity, affecting expenditure elsewhere. The emphasis in 2009 is on improving the planning and the monitoring of resources. The Agency indicates that the end of the year operations of 2008 have been especially challenging due to lack of financial officers in the operational and technical units, which resulted in some cases in insufficient documenting or the inability to fully close all operations by year end. Currently, adequate staff is in place and the financial procedures as well as the internal controls have been revised and consolidated. The end of the year operations in 2009 will receive reinforced attention. On the issue of recruitment, the Agency states that, for the future, the Agency has decided that the Director will no longer participate in the work of the selection boards. Moreover, guidance is in place to assist the selection boards' work, in particular the need to motivate decisions taken.

## 2008 discharge: European Chemicals Agency (ECHA)

2009/2131(DEC) - 05/05/2010 - Text adopted by Parliament, single reading

The European Parliament adopted by 549 votes to 32, with 57 abstentions, a decision on discharge to be granted to the Executive Director of the Community Fisheries Control Agency in respect of the implementation of its budget for the financial year 2008.

Furthermore, Parliament adopted a resolution with observations which are an integral part of the decision to grant discharge.

The main points are as follows:

- **performance:** Parliament underlines the importance of drawing up a multiannual work programme so that the Agency can make effective organisational arrangements to implement its strategy and achieve its goals. It also calls on the Agency to consider making a Gantt diagram part of the programming for each of its operational activities, with a view to indicating in concise form the amount of time spent by each staff member on a project and encouraging an approach geared towards achieving results;
- **budgetary and financial management:** Parliament draws attention to the need for the Agency to remedy the shortcomings in the programming of its activities so that in future the procedures for drafting the budget are sufficiently rigorous and obviate any need to increase and/or decrease the appropriations against its budget headings. It also welcomes the fact that the Agency has undertaken to improve its budgetary planning and monitoring and, consequently, to reduce the number of budgetary modifications required;
- **internal audit:** Parliament acknowledges that the Internal Audit Service (IAS) has identified 15 recommendations for the Agency, nine of which have been rated as 'very important' and call for the development a set of indicators covering all activities of the Agency and its internal organisation;
- **human resources:** Parliament notes that, in 2008, the rate of recruitment was so much faster than originally planned that the volume of appropriations required to pay salaries was underestimated by more than 35% (roughly EUR 1 300 000). It, therefore, calls on the Agency to improve the monitoring of the implementation of its budget.

Noting that the Agency's annual accounts for the financial year 2008 are reliable, and the underlying transactions are legal and regular, Parliament approves the closure of the Agency's accounts. However, it makes a number of recommendations that need to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on financial management and control of EU agencies (see [2010/2007\(INI\)](#) adopted in parallel).

## 2008 discharge: European Chemicals Agency (ECHA)

2009/2131(DEC) - 05/05/2010 - Final act

PURPOSE: to grant discharge to the European Chemicals Agency (ECHA) for the financial year 2008.

LEGISLATIVE ACT: Decision 2010/520/EU of the European Parliament on the discharge for the implementation of the budget of the European Chemicals Agency for the financial year 2008.

CONTENT: with the present decision, the European Parliament grants discharge to the Executive Director of the European Chemicals Agency for the implementation of its budget for the financial year 2008.

This decision is in line with the European Parliament's resolution adopted on 5 May 2010 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 05/05/2010).

A parallel decision, adopted on the same day, approves the closure of this Agency's accounts.

## 2008 discharge: European Chemicals Agency (ECHA)

2009/2131(DEC) - 01/02/2010

Based on the observations contained in the revenue and expenditure account and the balance sheet of the European Chemicals Agency for the financial year 2008, as well as on the Court of Auditor's report and the Agency's replies to the Court's observations, the Council recommends that the Parliament grant the Director of the Agency discharge in respect of the implementation of the budget for the financial year 2008.

The Council welcomes the Court's opinion that, on the one hand, the Agency's annual accounts present fairly, in all material aspects, the financial position as at 31 December 2008 and the results of operations and cash-flows for the year then ended, in accordance with the provisions of the Agency's Financial Regulation, and that, on the other hand, the underlying transactions for the financial year ended on 31 December 2008 are, in all material respects, legal and regular.

However, the Council considers that observations made in the Court of Auditor's report call for a certain number of observations to be taken into account when granting discharge, particularly on the following points:

- **budget programming:** while taking into account that the Agency is recently established and that it acquired its financial independence from the Commission on 1 January 2008, the Council calls on the Agency to comply with the annuality principle when implementing its budget, in conformity with the financial provisions in force, and to improve the various weaknesses identified by the Court in the planning of the Agency's activities. In this context, the Council strongly calls on the Agency to improve its procedures for the follow-up of the use of appropriations and to take all necessary steps in order to avoid irregular transactions and carry-overs;
- **recruitment procedures:** the Council invites the Agency to take duly into account the remarks made by the Court concerning identified weaknesses in the recruitment procedures of the Agency.