Basic information

2011/2235(DEC) DEC - Discharge procedure	Procedure completed
2010 discharge: European Chemicals Agency (ECHA) **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	MACOVEI Monica (PPE)	03/03/2011
	Shadow rapporteur HERCZOG Edit (S&D) GERBRANDY Gerben-Jan (ALDE) STAES Bart (Verts/ALE) CZARNECKI Ryszard (ECR) SØNDERGAARD Søren Bo (GUE/NGL) ANDREASEN Marta (EFD) EHRENHAUSER Martin (NI)	

Committee for opinion	Rapporteur for opinion	Appointed
ENVI Environment, Public Health and Food Safety	HAUG Jutta (S&D)	05/10/2011

European Commission

Commission DG	Commissioner
Budget	ŠEMETA Algirdas

Key events

Date	Event	Reference	Summary
26/07/2011	Non-legislative basic document published	COM(2011)0473	Summary
12/10/2011	Committee referral announced in Parliament		

27/03/2012	Vote in committee		
11/04/2012	Committee report tabled for plenary	A7-0126/2012	Summary
10/05/2012	Decision by Parliament	T7-0171/2012	Summary
10/05/2012	Results of vote in Parliament		
10/05/2012	Debate in Parliament		
10/05/2012	End of procedure in Parliament		
17/10/2012	Final act published in Official Journal		

Technical information

Procedure reference	2011/2235(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/07265

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	ENVI	PE476.051	24/01/2012	
Committee draft report		PE473.982	06/02/2012	
Amendments tabled in committee		PE483.618	07/03/2012	
Committee report tabled for plenary, single reading		A7-0126/2012	11/04/2012	Summary
Text adopted by Parliament, single reading		T7-0171/2012	10/05/2012	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	06083/2012	08/02/2012	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2011)0473	26/07/2011	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary

CofA	Court of Auditors: opinion, report	N7-0011/2012 OJ C 366 15.12.2011, p. 0033	06/09/2011	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Decision 2012/0574 OJ L 286 17.10.2012, p. 0192	Summary

2010 discharge: European Chemicals Agency (ECHA)

2011/2235(DEC) - 06/09/2011 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the

European Chemicals Agency, together with the Agency's reply.

CONTENT: in accordance with the tasks conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, the Court presents to the European Parliament and to the Council, in the context of the discharge procedure, a Statement of Assurance as to the reliability of the annual accounts of each institution, body or agency of the EU, and the legality and regularity of the transactions underlying them, on the basis of an independent external audit.

This audit concerned, amongst others, the annual accounts of the European Chemicals Agency (ECA).

In the Court's opinion, the **Agency's Annual Accounts fairly present, in all material respects, its financial position as of 31 December 2010** and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation.

The Court also considers that the **transactions underlying the annual accounts** of the Agency for the financial year ended 31 December 2010 are, in all material respects, **legal and regular.**

The report confirms that the Agency's 2010 budget amounted to EUR 75 million and that the number of staff employed by the Agency at the end of the year was 472.

The report also makes a series of observations on the budgetary and financial management of the Agency, accompanied by the latter's response. The main observations may be summarised as follows:

The Court's observations:

- in 2010, the Agency became fully self-financing. There is scope for the Agency's Financial Regulation to be revised to include a mechanism for retaining surplus own revenue to finance the Agency's future activities.

The Agency's reply:

- the Agency will include a proposal for mechanism to manage surplus revenue in the upcoming review of the Framework Financial Regulation.

Lastly, the Court of Auditors' report contains **a summary of the Agency's activities in 2010**. This is focused on the following:

- preparation for and handling of submissions under the first REACH registration deadline, including enquiries on chemicals (1 600);
- evaluation and compliance checks;
- 16 substances identified for inclusion in the Candidate list in the authorisation process;
- classification and labelling: number of C&L notifications received: over 3 million for over 100 000 substances.
- advice and assistance with 10 000 questions answered by helpdesk ;
- further development of REACH-IT and other scientific IT systems;
- scientific and Practical Advice for the further development of legislation
- communication, with 2.5 million website visits from 200 countries.
- relations with EU Institutions and International Cooperation including with Canada and with the US Environmental Protection Agency.

2010 discharge: European Chemicals Agency (ECHA)

2011/2235(DEC) - 08/02/2012

Having examined the revenue and expenditure accounts for the financial year 2010 and the balance sheet at 31 December 2010 of the European Chemicals Agency, and the report by the Court of Auditors on the annual accounts of the Agency for the financial year 2010, accompanied by the Agency's replies to the Court's observations, the Council recommends the European Parliament to give a discharge to the Executive Director of the Agency in respect of the implementation of the budget for the financial year 2010.

However, the Council considers that observations made in the Court of Auditor's report call for a certain number of remarks:

- the Council welcomes the Court's opinion that, in all material respects, the Agency's annual accounts fairly present the financial position as at 31 December 2010 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 the underlying transactions for that financial year are legal and regular;
- the Council notes that the Agency has become fully self-financing. It invites the Commission and the Agency to present **proposals for a revision of the Financial Regulation in order to include a mechanism for retaining and managing surplus own revenue** to finance the Agency's future activities.

2010 discharge: European Chemicals Agency (ECHA)

2011/2235(DEC) - 11/04/2012 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Monica Luisa MACOVEI (PPE, RO) on discharge in respect of the budget of the European Chemicals Agency (ECHA) and called on the European Parliament to grant the Executive Director of the Agency discharge in respect of the implementation of the Agency's budget for the financial year 2010.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2010 are reliable and that the underlying transactions are legal and regular, Members approve the closure of the Agency’s accounts. However, they make 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 performance, financial management and control of EU agencies:

- **Budget and financial management**: Members observe that, according to the Court of Auditors, the Agency in 2010 the Agency became fully self-financing but that there is scope for its Financial Regulation to be revised to include a mechanism for retaining surplus from the Agency's revenue to finance its future activities. They take note of the Agency's reply which states that it will include a proposal for a mechanism to manage surplus revenue in the upcoming review of its Financial Regulation, and that the Agency has cash reserves for asset management at the European Investment Bank and the Central Bank of Finland.
- **Carryover of appropriations**: the committee establishes that the carryovers commitment and payment appropriations, of more than EUR 12million mainly relate to IT costs for support to operations as well as general administration. It also establishes that more than EUR 2 million was cancelled. Members feel that further efforts are needed. Furthermore, as the Agency works with non-dissociated credits in all its Titles, it is unrealistic to expect that all operations budgeted for one calendar year could both be committed and paid up within the same budgetary year, especially for project-type operational expenditure (e.g. IT systems developments).
- **Conflict of interests**: bearing in mind that the Agency is involved in decisions of high importance for consumers, and taking into account its exposure due to its importance to industry, the committee is looking forward to receiving and discussing the findings and recommendations of the Special Report of the Court of Auditors on conflict of interest situations to be released before the end of June 2012. It considers that, after the initial build-up phase with a focus on procedures, the Agency needs to ensure that its budget and staff are allocated in a way that allows it to deliver fully on substance, in particular regarding evaluation, restrictions and authorisation.
- **Internal audit**: Members consider that the Agency has improved its administrative processes (including financial circuits) and its operational workflow. They note that the Internal Audit Capability performed two assurance internal audits in 2010: one on “Staff back-up Process” and the other one on “Fee Invoicing Process”.
- **Performance:** the committee notes that around the end of 2010, two important deadlines passed for REACH and the Classification, Labelling and Packaging Regulation. It welcomes, therefore, the fact that the Agency successfully managed to handle the reception and processing of 25 000 registration dossiers on 4 300 chemical substances that are either commonly used in Europe or are the most hazardous and of over 3 million notifications for over 100 000 substances that are classified and have to be labelled to protect the user. It welcomes the Agency’s initiatives for enhancing its customer focus and feedback procedures, and is generally satisfied with the successful operation of the Agency in implementing the Union’s chemicals' legislation.
- **Role of coordinator of the network of agencies**: lastly, Members commend the Agency on its effective work as coordinator of the network of agencies during the 2010 discharge procedure.

2010 discharge: European Chemicals Agency (ECHA)

2011/2235(DEC) - 10/05/2012 - Text adopted by Parliament, single reading

The European Parliament adopted a decision concerning the granting of discharge to the Executive Director of the European Chemicals Agency in respect of the implementation of the Agency's budget for the financial year 2010. This decision also approves the closure of the Agency’s accounts.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2010 are reliable and that the underlying transactions are legal and regular, Parliament adopted a resolution containing a series 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 performance, financial management and control of EU agencies.

These recommendations may be summarised as follows:

- **Budget and financial management**: Parliament acknowledges from the Agency that the Agency is financed through fees paid by industry for registrations of chemical substances and by a potential Union contribution. Since 2010, the Agency is fully self-financing. However, there is scope for its Financial Regulation to be revised to include a mechanism for retaining surplus from the Agency's revenue to finance its future activities. Parliament takes note of the Agency's reply which states that it will include a proposal for a mechanism to manage surplus revenue in the upcoming review of its Financial Regulation, and that the Agency has cash reserves for asset management at the European Investment Bank and the Central Bank of Finland;
- **Carryover of appropriations**: Parliament establishes that the carryovers commitment and payment appropriations, of more than EUR 12 million mainly relate to IT costs for support to operations as well as general administration. It also establishes that more than EUR 2 million was cancelled. Members feel that further efforts are needed. Furthermore, as the Agency works with non-dissociated credits in all its Titles, it is **unrealistic to expect that all operations budgeted for one calendar year could both be committed and paid up within the same budgetary year**, especially for project-type operational expenditure (e.g. IT systems developments).
- **Conflict of interests**: bearing in mind that the Agency is involved in decisions of high importance for consumers, and taking into account its exposure due to its importance to industry, Parliament is looking forward to receiving and discussing the findings and recommendations of the Special Report of the Court of Auditors on conflict of interest situations to be released before the end of June 2012. It considers that, after the initial build-up phase with a focus on procedures, the Agency needs to ensure that its budget and staff are allocated in a way that allows it to deliver fully on substance, in particular regarding evaluation, restrictions and authorisation;
- **Internal audit**: Parliament considers that the Agency has improved its administrative processes (including financial circuits) and its operational workflow. It notes that the Internal Audit Capability performed two assurance internal audits in 2010: one on “Staff back-up Process” and the other one on “Fee Invoicing Process”;

- **Performance**: Parliament notes that around the end of 2010, two important deadlines passed for REACH and the Classification, Labelling and Packaging Regulation. It welcomes, therefore, the fact that the Agency successfully managed to handle the reception and processing of 25 000 registration dossiers on 4 300 chemical substances that are either commonly used in Europe or are the most hazardous and of over 3 million notifications for over 100 000 substances that are classified and have to be labelled to protect the user. It welcomes the Agency’s initiatives for enhancing its customer focus and feedback procedures, and is generally satisfied with the successful operation of the Agency in implementing the Union’s chemicals' legislation;
- **Role of coordinator of the network of agencies**: lastly, Parliament **commends the Agency on its effective work as coordinator of the network of agencies** during the 2010 discharge procedure.

2010 discharge: European Chemicals Agency (ECHA)

2011/2235(DEC) - 26/07/2011 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2010, as part of the 2010 discharge procedure.

Analysis of the accounts of the **European Chemicals Agency (ECHA).**

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2010 as prepared on the basis of the information presented by the institutions, organisations and bodies of the EU, in accordance with Article 129 (2) of the Financial Regulation applicable to the EU's General Budget, including the European Chemicals Agency (ECHA).

In 2010, the tasks and budget of this agency were as follows:

- **description of ECHA's tasks**: ECHA, located in Helsinki, was set up by Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006. Its main tasks are to ensure a high level of protection of human health and the environment, as well as the free movement of substances, on their own, in preparations and in articles, while enhancing competitiveness and innovation. The Agency also promotes the development of alternative methods for the assessment of hazards of substances. The Agency has become financially independent from the Commission since 1 January 2008.
- **ECHA's budget for the 2010 financial year**: the Agency's 2010 budget amounted to EUR 75.5 million, compared with EUR 70.4 million the previous year. The number of staff employed by the Agency at the end of the year was 472, as compared with 355 the previous year.

The complete version of ECHA's final accounts may be found at the following address: http://echa.europa.eu/web/guest/about-us/the-way-we-work/plans-and-reports

2010 discharge: European Chemicals Agency (ECHA)

2011/2235(DEC) - 10/05/2012 - Final act

PURPOSE: to grant discharge to the European Chemicals Agency (ECHA) in respect of the implementation of the Agency's budget for the financial year 2010.

NON-LEGISLATIVE ACT: Decision 2012/574/EU of the European Parliament on discharge in respect of the implementation of ECHA’s budget for the financial year 2010.

CONTENT: with the present decision, and in accordance with Article 319 of the Treaty on the Functioning of the European Union, the European Parliament grants discharge to the Executive Director of the European Chemicals Agency for the implementation of its budget for the financial year 2010.

This decision is in line with the European Parliament's resolution adopted on 10 May 2012 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 10/05/2012).

A parallel decision, 2012/575/EU, adopted on the same day, approves the closure of this Agency's accounts for the 2010 financial year.