Basic information

2012/2196(DEC) DEC - Discharge procedure	Procedure completed
2011 discharge: European Food Safety Authority (EFSA) **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	GERBRANDY Gerben-Jan (ALDE)	29/02/2012
	Shadow rapporteur SARVAMAA Petri (PPE) AYALA SENDER Inés (S&D) STAES Bart (Verts/ALE) BRADBOURN Philip (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)	20/09/2012

European Commission

Commission DG	Commissioner
Budget	ŠEMETA Algirdas

Key events

Date	Event	Reference	Summary
25/07/2012	Non-legislative basic document published	COM(2012)0436	Summary
13/09/2012	Committee referral announced in Parliament		

19/03/2013	Vote in committee		
21/03/2013	Committee report tabled for plenary	A7-0074/2013	Summary
16/04/2013	Debate in Parliament		
17/04/2013	Decision by Parliament	T7-0146/2013	Summary
17/04/2013	Results of vote in Parliament		
17/04/2013	End of procedure in Parliament		
16/11/2013	Final act published in Official Journal		

Technical information

Procedure reference	2012/2196(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/10531

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE497.827	28/01/2013	
Committee opinion	ENVI	PE500.744	28/01/2013	
Amendments tabled in committee		PE497.875	27/02/2013	
Committee report tabled for plenary, single reading		A7-0074/2013	21/03/2013	Summary
Text adopted by Parliament, single reading		T7-0146/2013	17/04/2013	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	05753/2013	01/02/2013	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2012)0436	25/07/2012	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N7-0018/2013 OJ C 388 15.12.2012, p. 0092	18/09/2012	Summary

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

Final act	
Decision 2013/0576 OJ L 308 16.11.2013, p. 0228	Summary

2011 discharge: European Food Safety Authority (EFSA)

2012/2196(DEC) - 25/07/2012 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2011, as part of the 2011 discharge procedure.

Analysis of the accounts of the **European Food Safety Authority (EFSA).**

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2011 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 Food Safety Authority (EFSA).

In 2011, the tasks and budget of this agency were as follows:

- **description of EFSA's tasks**: EFSA, which is located in Parma, was established by Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 and its main tasks are to supply the scientific information needed for Union legislation to be drawn up, to collect and analyse data that allow risks to be identified and monitored and to provide independent information on these risks.
- **EFSA's budget for the 2011 financial year:** the Authority's budget for 2011, as presented in the Commission document on the consolidated annual accounts of the European Union, gives the following figures:
  - forecasted income budget: EUR 76 million;
  - entitlements established: EUR 76 million;
  - amounts received: EUR 76 million;
  - outstanding: EUR 0 million.

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

http://www.efsa.europa.eu/en/efsahow/funding.htm

2011 discharge: European Food Safety Authority (EFSA)

2012/2196(DEC) - 18/09/2012 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Food Safety Authority (EFSA) for the financial year 2011, together with the Authority's replies.

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 Food Safety Authority (EFSA).

In the Court's opinion, the **Authority's Annual Accounts fairly present, in all material respects, its financial position as of 31 December 2011** 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 Authority for the financial year ended 31 December 2011 are, in all material respects, **legal and regular**.

The report confirms that the Agency's 2011 budget amounted to EUR 78.8 million and that the number of staff employed by the Agency at the end of the year was 355.

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:

Court's observations:

- budgetary management: the Court notes weaknesses in budget planning and implementation and is at odds with the principle of specification;
- building policy: the Authority purchased a new headquarters building in December 2011 for EUR 36.8 million which will be paid by quarterly instalments over 25 years, resulting in interest payments of EUR 18.5 million. The Court questions whether a more economic alternative could have been sought from the budgetary authorities in accordance with the principle of sound financial management and ensuring full respect of the Financial Regulation;
- there is room for improving the transparency of recruitment procedure.

Authority's response:

- the Authority states that it will consider adapting its budget structure within the overall budgetary framework to reduce fragmentation and needs for transfers in the future;
- EFSA states that it acquired its headquarters following modalities cleared by the Budgetary Authority foreseeing payment spread over 25 years. EFSA has asked recently the European Commission to consider requesting additional resources to the Budgetary authority to shorten the purchase calendar. Such anticipated purchase is possible at no costs for EFSA;
- EFSA recruitment procedures are fully compliant with regulatory requirements and it adapted its relevant processes in January 2012.

Lastly, the Court of Auditors' report contains a summary of the **Authority's activities in 2011**. This is focused on the following:

- scientific outputs and supporting publications: scientific opinions and advice, risk assessment approaches;
- evaluation of products, substances and claims subject to authorisation;
- data collection, scientific cooperation and networking;
- various publications.

2011 discharge: European Food Safety Authority (EFSA)

2012/2196(DEC) - 01/02/2013

Having examined the revenue and expenditure accounts for the financial year 2011 and the balance sheet at 31 December 2011 of the European Food Safety Authority, as well as the Court of Auditors' report on the annual accounts of the Authority for the financial year 2011, accompanied by the Authority's replies to the Court's observations, 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 2011.

The observations in the Court of Auditors' report in relation to the financial year 2011 call for some comments by the Council, which may be summarised as follows:

- the Council welcomes the Court's opinion that, in all material respects, the Authority's annual accounts present fairly its financial position as at 31 December 2011 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of the Authority's Financial Regulation, and that the underlying transactions for that financial year are legal and regular;
- nevertheless, the Council stresses the importance of carrying out a thorough **expenditure planning** and is concerned about the deficiencies highlighted by the Court in the Authority's budgetary and financial management;
- as for the **payment schedule** related to the purchase of the Authority's headquarters building, the Council takes note of the Court's observation that the Authority did not put forward for consideration a more economic alternative;
- lastly, the Council regrets the shortcomings detected by the Court in the transparency of the recruitment procedures, including the irregularities found regarding the conflict of interest declarations of the Selection Board members, and expects this to be fully remedied by the Authority.

2011 discharge: European Food Safety Authority (EFSA)

2012/2196(DEC) - 21/03/2013 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Gerben-Jan GERBRANDY (ADLE, NL) on discharge to be granted to the Executive Director of the European Food Safety Agency (EFSA) in respect of the implementation of the Agency's budget for the financial year 2011.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of EFSA for the financial year 2011 are reliable and that the underlying transactions are legal and regular, Members approve the closure of EFSA'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:

- **Financing, budget and financial management**: EFSA's 2011 budget amounted to EUR 77.31 million, compared to EUR 74.7 million in the previous year which represents an increase of 3.49 %;
- **Implementation rate of appropriations and carryovers**: Members note that the payment appropriations execution rate was 82.05%, which represents a minor decrease in comparison to the previous year (83.51%). They remind the Authority to respect in an improved way the principle of annuality even if they consider 2011 as a special year, due to the movement to the new headquarters and the delayed settlement of payments in this respect;
- **Conflicts of interest:** Members note with concern that according to the findings of the Court of Auditors, the Authority did not adequately manage conflict of interest situations, even if, in the meantime, EFSA had already developed advanced policies for managing conflicts of interest, because these policies have not oled to the desired results. EFSA was criticised for a lack of transparency with respect to the publication of annual declarations of interest and the absence of training on conflicts of interest. They urge EFSA to keep conflicts of interest high on the priority list in order to protect its credibility and to safeguard the public's trust in food safety. They call on it to start a structured dialogue with civil society on matters relating to conflicts of interest and to invite those organisations concerned to openly discuss matters of common interest. They strongly suggest that, in order to prevent its staff from moving directly from their position to work in a similar post in industry or related lobby-agency, or vice versa, an adequate cooling off period should be established and respected for the specific areas of work.

Lastly, Members made a series of observations as regards EFSA's buildings policy, its budgetary transfers and internal audit procedures.

2011 discharge: European Food Safety Authority (EFSA)

2012/2196(DEC) - 17/04/2013 - Text adopted by Parliament, single reading

The European Parliament adopted a decision on discharge to be granted to the Executive Director of the European Food Safety Agency (EFSA) in respect of the implementation of the Agency's budget for the financial year 2011. The vote on the decision to grant discharge covers the closure of the accounts (in accordance with Annex VI, Article 5(1) of the European Parliament's Rules of Procedure).

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of EFSA for the financial year 2011 are reliable and that the underlying transactions are legal and regular, Parliament adopted a resolution containing 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:

- **Financing, budget and financial management**: Parliament recalls that EFSA's 2011 budget amounted to EUR 77.31 million, compared to EUR 74.7 million in the previous year which represents an increase of 3.49 %;
- **Implementation rate of appropriations and carryovers**: it notes that the payment appropriations execution rate was 82.05%, which represents a minor decrease in comparison to the previous year (83.51%). Members remind the Authority to respect in an improved way the principle of annuality even if they consider 2011 as a special year, due to the movement to the new headquarters and the delayed settlement of payments in this respect.
- **Building's policy**: Parliament notes that the Authority purchased a new headquarters building in December 2011 for EUR 36.8 million which will be paid in quarterly instalments over 25 years, resulting in interest payments of EUR 18.5 million. It notes, moreover, that the Court of Auditors questioned whether a **more economic alternative** could have been sought from the budgetary authority in accordance with the principle of sound financial management and ensuring full respect of the Financial Regulation. The Authority recalls that it submitted the building project to the budgetary authority in 2005 with a deferred purchase price payment agreement over 25 years, and the budgetary authority approved the building project. Parliament also notes that at the Court of Auditors' suggestion, a request was made to the Commission to seek additional payment credits in order to cover the full purchase with only one down-payment. It notes, however, that there was no possibility to increase the appropriations towards the Authority to cover a single down-payment in the current climate of tight expenditure.
- **Conflicts of interest**: Parliament notes with concern that according to the findings of the Court of Auditors, the Authority did not adequately manage conflict of interest situations, even if, in the meantime, EFSA had already developed advanced policies for managing conflicts of interest, because these policies have not led to the desired results. EFSA was criticised for a lack of transparency with respect to the publication of annual declarations of interest and the absence of training on conflicts of interest. Members urge EFSA to keep conflicts of interest high on the priority list in order to protect its credibility and to safeguard the public's trust in food safety. They call on it to start a structured dialogue with civil society on matters relating to conflicts of interest and to invite those organisations concerned to openly discuss matters of common interest. They strongly suggest that, in order to prevent its staff from moving directly from their position to work in a similar post in industry or related lobby-agency, or vice versa, an adequate cooling off period should be established and respected for the specific areas of work.

Lastly, Parliament made a series of observations as regards EFSA's budgetary transfers and internal audit procedures.

2011 discharge: European Food Safety Authority (EFSA)

2012/2196(DEC) - 17/04/2013 - Final act

PURPOSE: to grant discharge to the European Food Safety Authority for the financial year 2011.

NON-LEGISLATIVE ACT: Decision 2013/576/EU of the European Parliament on discharge in respect of the implementation of the budget of the European Food Safety Authority for the financial year 2011.

CONTENT: with this Decision and in accordance with Article 319 of the Treaty on the Functioning of the European Union (TFEU), the European Parliament gives discharge to the Executive Director of the European Food Safety Authority for the implementation of the Authority's budget for 2011.

The Decision is consistent with the European Parliament's resolution adopted on 17 April 2013 and includes a series of observations that form an integral part of the discharge decision (refer to the summary of the opinion of 17 April 2013).

Decision 2013/577/EU, adopted on the same day, approves the closure of the accounts for this Community agency for 2011.