Basic information

2012/2203(DEC) DEC - Discharge procedure	Procedure completed
2011 discharge: European Chemicals Agency (ECHA) **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		
22/03/2013	Committee report tabled for plenary	A7-0097/2013	Summary
16/04/2013	Debate in Parliament		
17/04/2013	Decision by Parliament	T7-0143/2013	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	2012/2203(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/10548

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE497.823	28/01/2013	
Committee opinion	ENVI	PE500.742	28/01/2013	
Amendments tabled in committee		PE497.872	27/02/2013	
Committee report tabled for plenary, single reading		A7-0097/2013	22/03/2013	Summary
Text adopted by Parliament, single reading		T7-0143/2013	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	N7-0015/2013 OJ C 388 15.12.2012, p. 0073	05/09/2012	Summary

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

Final act	
Decision 2013/0570 OJ L 308 16.11.2013, p. 0209	Summary

2011 discharge: European Chemicals Agency (ECHA)

2012/2203(DEC) - 05/09/2012 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Chemicals Agency (ECHA) for the financial year 2011, together with the Agency'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 Chemicals Agency (ECHA).

In the Court's opinion, the Agency'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 Agency 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 93.2 million and that the number of staff employed by the Agency at the end of the year was 542.

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 comments:

- carry-overs: the Court notes that carry-overs related to operational expenditure amounted to EUR 11.5 million (55 %). The level of carryovers is excessive and at odds with the budgetary principle of annuality;
- recruitment: the Court identified shortcomings in the recruitment procedures. There is no evidence that thresholds for passing the various stages of the procedures or questions for interviews or written tests were set before the examination of applications.

Agency's replies:

- ECHA states that it will formalise its fixed asset management policy in 2012, while due attention will be given to the physical check at year end;
- it has conducted a review of its recruitment procedure, including the declarations of interests, with the aim to further improve them and to ensure adherence to best practice.

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

- registration, pre-registration and data-sharing;
- evaluation;
- authorisation and restriction;
- classification and labelling;
- advice and assistance;
- scientific and practical advice for the further development of legislation;
- communication;
- relations with EU Institutions and international cooperation.

2011 discharge: European Chemicals Agency (ECHA)

2012/2203(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 Chemicals Agency, and the report by the Court of Auditors on the annual accounts of the Agency for the financial year 2011, 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 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 Agency'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 Agency's Financial Regulation, and that the underlying transactions for that financial year are legal and regular;
- nevertheless, the Council urges the Agency to improve its financial programming and its monitoring of the budget implementation in order to **reduce the amounts carried over to the next financial year**, in line with the budgetary principle of annuality;
- furthermore, the Council encourages the Agency to thoroughly implement its recently formalised fixed asset management policy and its cost accounting project in order to overcome the deficiencies identified in its supervisory and control systems;
- 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 Agency.

2011 discharge: European Chemicals Agency (ECHA)

2012/2203(DEC) - 22/03/2013 - 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 Chemicals Agency (ECA) 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 the Agency for the financial year 2011 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:

- **Financing, budget and financial management**: Members recall that the Agency's overall budget for the financial year 2011 was of EUR 93.2 million, which represents an increase of 23.44%. They note that during the financial year 2011, the Agency operated as a self-financed agency and **did not receive any reimbursable subsidy** from the Commission. The Agency is financed through fees paid by industry for registrations of chemical substances.
- **Implementation rate of appropriations**: Members observe that the budget execution rate for 2011 was 96%. The total amount of carryover of commitment and payment appropriations was of EUR 14 421 314.76, representing 16.2% of the established commitments. They call on the Agency to inform the discharge authority of the actions taken to address that deficiency as the level of carryover is excessive and at odds with the budgetary principle of annuality. They also note that a large amount of appropriations was simply cancelled.
- **Conflicts of interest**: Members welcome the efforts made in this area but still state that the Agency did not adequately manage situations involving conflicts of interest. Members note, moreover, that the Agency's policies for managing conflict of interest were incomplete, declarations of interest were neither screened nor published but sealed and training on conflict of interest was absent. They call on the Agency to introduce in its annual activity reports a special section describing the actions taken to prevent and manage conflicts of interest, which shall include, *inter alia*: the number of conflicts of interest cases verified, the number of revolving door cases, the measures taken in each category of cases, the number of breach of trust procedures launched and their outcomes and the sanctions applied.

Lastly, Members made a series of observations as regards the recruitment procedures and the control systems of this Agency.

2011 discharge: European Chemicals Agency (ECHA)

2012/2203(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 Chemicals Agency (ECA) 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 the Agency 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 the Agency's overall budget for the financial year 2011 was of EUR 93.2 million, which represents an increase of 23.44%. It notes that during the financial year 2011, the Agency operated as a self-financed agency and **did not receive any reimbursable subsidy** from the Commission. The Agency is financed through fees paid by industry for registrations of chemical substances.
- **Implementation rate of appropriations**: Parliament observes that the budget execution rate for 2011 was 96%. The total amount of carryover of commitment and payment appropriations was of EUR 14 421 314.76, representing 16.2% of the established commitments. It calls on the Agency to inform the discharge authority of the actions taken to address that deficiency as the level of carryover is excessive and at odds with the budgetary principle of annuality. It also notes that a large amount of appropriations was simply cancelled.
- **Recruitment procedures**: Parliament acknowledges that as of 31 December 2011, the total number of positions occupied by temporary agents positions was 441 out of 456 available posts. It calls for the simplification of the Staff Regulations.
- **Conflicts of interest**: Parliament welcomes the efforts made in this area but still state that the Agency did not adequately manage situations involving conflicts of interest. Members note, moreover, that the Agency's policies for managing conflict of interest were incomplete. It calls on the Agency to introduce in its annual activity reports a special section describing the actions taken to prevent and manage conflicts of interest, which shall include, *inter alia*: the number of conflicts of interest cases verified, the number of revolving door cases, the measures taken in each category of cases, the number of breach of trust procedures launched and their outcomes and the sanctions applied.

Lastly, Parliament made a series of observations as regards the control systems of this Agency.

2011 discharge: European Chemicals Agency (ECHA)

2012/2203(DEC) - 17/04/2013 - Final act

PURPOSE: to grant discharge to the European Chemicals Agency (ECHA) for the financial year 2011.

NON-LEGISLATIVE ACT: Decision 2013/570/EU of the European Parliament on discharge in respect of the implementation of ECHA’s budget for the financial year 2011.

CONTENT: with the present decision, and in accordance with Article 319 of the Treaty on the Functioning of the European Union (TFEU), the European Parliament grants discharge to the Executive Director of the European Chemicals Agency for the implementation of its budget for the financial year 2011.

This decision is in line with the European Parliament's resolution adopted on 17 April 2013 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 17 April 2013).

A parallel decision, 2013/571/EU, adopted on the same day, approves the closure of this Agency's accounts for the 2011 financial year.

2011 discharge: European Chemicals Agency (ECHA)

2012/2203(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 Chemicals Agency (ECHA).**

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 Chemicals Agency (ECHA).

In 2011, 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 and 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 2011 financial year**: the Agency’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 35 million;
    - entitlements established: EUR 38 million;
    - amounts received: EUR 38 million;
    - outstanding: EUR 0 million.

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