Basic information

2013/2220(DEC) DEC - Discharge procedure	Procedure completed
2012 discharge: European Food Safety Authority (EFSA) **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	SARVAMAA Petri (PPE)	10/10/2013
	Shadow rapporteur KADENBACH Karin (S&D) GERBRANDY Gerben-Jan (ALDE) STAES Bart (Verts/ALE) ANDREASEN Marta (ECR) DE JONG Dennis (GUE/NGL) VANHECKE Frank (EFD) EHRENHAUSER Martin (NI)	

Committee for opinion	Rapporteur for opinion	Appointed
ENVI Environment, Public Health and Food Safety	HAUG Jutta (S&D)	10/10/2013

European Commission

Commission DG	Commissioner
Budget	ŠEMETA Algirdas

Key events

Date	Event	Reference	Summary
26/07/2013	Non-legislative basic document published	COM(2013)0570	Summary
22/10/2013	Committee referral announced in Parliament		

17/03/2014	Vote in committee		
21/03/2014	Committee report tabled for plenary	A7-0219/2014	Summary
02/04/2014	Debate in Parliament		
03/04/2014	Decision by Parliament	T7-0312/2014	Summary
03/04/2014	Results of vote in Parliament		
03/04/2014	End of procedure in Parliament		
05/09/2014	Final act published in Official Journal		

Technical information

Procedure reference	2013/2220(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/13890

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE521.664	27/01/2014	
Committee opinion	ENVI	PE524.567	27/01/2014	
Amendments tabled in committee		PE521.768	03/03/2014	
Committee report tabled for plenary, single reading		A7-0219/2014	21/03/2014	Summary
Text adopted by Parliament, single reading		T7-0312/2014	03/04/2014	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	05849/2014	05/02/2014	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2013)0570	26/07/2013	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N7-0023/2014 OJ C 365 13.12.2013, p. 0120	10/09/2013	Summary

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act	
Budget 2014/0583 OJ L 266 05.09.2014, p. 0216	Summary

2012 discharge: European Food Safety Authority (EFSA)

2013/2220(DEC) - 21/03/2014 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Petri SARVAMAA (EPP, FI) in which it recommended the European Parliament to grant discharge to the Executive Director of the European Food Safety Authority (EFSA) in respect of the implementation of the Authority's budget for the financial year 2012.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Authority for the financial year 2012 are reliable, and that the underlying transactions are legal and regular, Members approved the closure of EFSA's accounts. They made, however, a number of recommendations that needed 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 noted that budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 99.30% and that the payment appropriations execution rate was 88%. They acknowledged that the relocation of the Authority to its new premises generated savings amounting to EUR 3.94 million and that that amount was reallocated to operational activities.
- **Commitments and carryovers**: Members noted that carryovers were high. They acknowledged that a high amount of carry-overs were made for reasons beyond the Authority's control. They recalled that the Authority should respect the principle of annuality.
- **Prevention and management of conflicts of interests and transparency**: Members believed that the procedure for assessing possible conflicts of interest at the Authority, where declarations of interest are screened by Heads of Unit and are generally assessed on a case by case basis, is burdensome and is subject to criticism, raising questions about its credibility and effectiveness. They called on the Authority to come up with a simplified procedure with less uncertainty which would validate and streamline the process and save both human resources and money without, however, jeopardising the newly set standards for the detection and prevention of conflicts of interests. Members noted with concern that the Authority applies a less stringent conflicts of interest policy to experts from food safety organisations (FSOs), as the list which the Authority uses to indicate these FSOs includes institutes that are nominated by Member States and cofinanced by private or undisclosed partners, creating a possible loophole. They considered that the **Authority should apply a two-year cooling-off period to all material interests related to the commercial agrifood sector**, including research funding, consultancy contracts and decision-making positions in industry-captured organisations. The Authority should ask experts to declare whether their interests were remunerated or not. Current practice of experts anonymising their interests, for instance by using the expression "private company", should not be accepted by the Authority. They stated that the current declarations of interests forms could be further improved.

Lastly, Members also made a series of observations on transfers, procurement and recruitment procedures as well as comments on internal controls.

2012 discharge: European Food Safety Authority (EFSA)

2013/2220(DEC) - 26/07/2013 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2012, as part of the 2012 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 2012 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 2012, 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. Its main aim is to provide scientific opinions and scientific and technical support for the legislation and policies which have a direct or indirect impact on food and feed safety;
- **EFSA's budget for the 2012 financial year**: the Authority's budget for 2012, as presented in the Commission document on the consolidated annual accounts of the European Union, gives the following figures:

  § **Commitment appropriations** :

  - **committed** : EUR 79 million;

  - **paid** : EUR 78 million;

  - **carried-over** : 0.

  § **Payment appropriations** :

  - **committed** : EUR 90 million;

  - **paid** : EUR 80 million;

  - **carried-over** : EUR 9 million.

Please refer also to the final accounts of the EFSA.

2012 discharge: European Food Safety Authority (EFSA)

2013/2220(DEC) - 10/09/2013 - 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 year 2012, together with the Authority'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 Food Safety Authority.

In the Court's opinion, the European Food Safety Authority**'s Annual Accounts fairly present, in all material respects, its financial position as of 31 December 2012** and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer.

The Court also considers that the **transactions underlying the annual accounts** of the Authority for the financial year ended 31 December 2012 are, in all material respects, **legal and regular.**

The report confirms that the Authority's 2012 budget amounted to EUR 78.3 million.

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

The Court's observations:

- audits and internal controls: a number of potential critical risks were identified in the operation of the Authority's internal controls, particularly in the areas of data management, business continuity and IT security;

- budgetary management: the overall level of appropriations committed was 99 %, but the level of committed appropriations carried over was high with operational expenditure at EUR 5.6 million (30 % of title III appropriations).

The Authority's reply:

- audits: as part of its management and internal control procedures the Authority carries out on a regular basis high level risk assessments so as to identify and adopt adequate mitigation measures to potential risks. This exercise is a key internal control put in place to increase the likelihood of achieving the Authority's objectives. The Authority will continue enhancing such preventive risk-based management approach;

- budgetary management: the Authority will continue to improve the monitoring of the budget execution in order to keep the carry-over in line with the budget execution objectives set for the operational activities

Lastly, the Court of Auditors' report contains **a summary of the Authority's activities in 2012**. This is focused on the following:

- scientific opinions and advice, as well as information on risks relating to food safety;
- evaluation of products, substances and claims subject to authorisation

- data Collection, scientific cooperation and networking
- publications and scientific outputs supported by communication activities.

2012 discharge: European Food Safety Authority (EFSA)

2013/2220(DEC) - 05/02/2014

Having examined the revenue and expenditure accounts for the financial year 2012 and the balance sheet at 31 December 2012 of the European Food Safety Authority (EFSA), as well as the Court of Auditors' report on the annual accounts of the Authority for the financial year 2012, 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 2012.

The observations in the Court of Auditors' report in relation to the financial year 2012 call for some comments by the Council, which may be summarised as follows:

- in general, 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 2012 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 the accounting rules adopted by the Commission's accounting officer, and that the underlying transactions for that financial year are legal and regular.
- **Accounting systems**: the Council calls on the Authority to extend the validation of accounting systems by its Accounting Officer also to local systems and to exchanges of data between the Authority's local and central systems.
- **Controls**: in addition, the Council invites the Authority to continue addressing the potential risks identified by external consultants and by the Commission's Internal Audit Service in the Authority's internal control procedures relating to data management, business continuity and IT security.
- **Carry-overs**: the Council asks the Authority to further improve its financial management by systematically scrutinising carry-overs of appropriations to the following budgetary year on the basis of its budget implementation objectives, and by limiting them to the minimum necessary, in line with the budgetary principle of annuality.

2012 discharge: European Food Safety Authority (EFSA)

2013/2220(DEC) - 03/04/2014 - Text adopted by Parliament, single reading

The European Parliament adopted a decision concerning the discharge to be granted to the Executive Director of the European Food Safety Authority (EFSA) in respect of the implementation of the Authority's budget for the financial year 2012. The vote on the discharge decision approved the closure of the accounts (in accordance with Annex VI, Article 5(1) of the Rules of Procedure of the European Parliament.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Authority for the financial year 2012 are reliable, and that the underlying transactions are legal and regular, Parliament adopted by 510 votes to 70, with 14 abstentions, a resolution containing a series of recommendations that form an integral part of the discharge decision and as well as the general recommendations that appear in the draft resolution on performance, financial management and control of EU agencies.

These recommendations are summarised as follows:

- **Reliability of the accounts**: Parliament noted that the Court of Auditors found, in its annual audit report for 2012, that the validation of the accounting systems by the Authority’s accounting officer covers the central ABAC and SAP systems, but **not the local systems and the reliability of data exchanges between central and local systems**, which represents a risk as to the reliability of accounting data. It acknowledged that the risk did not materialise in the use of inaccurate data by the Authority's accounting officer; expects the Authority, however, to integrate its local systems in the validation process by its accounting officer.
- **Budget and financial management**: Parliament noted that budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 99.30% and that the payment appropriations execution rate was 88%. It acknowledged that the relocation of the Authority to its new premises generated savings amounting to EUR 3.94 million and that that amount was reallocated to operational activities.
- **Commitments and carryovers**: Parliament noted that carryovers were high. It acknowledged that a high amount of carry-overs were made for reasons beyond the Authority’s control. They recalled that the Authority should respect the principle of annuality.
- **Prevention and management of conflicts of interests and transparency**: Parliament believed that the procedure for assessing possible conflicts of interest at the Authority, where declarations of interest are screened by Heads of Unit and are generally assessed on a case by case basis, is burdensome and is subject to criticism, raising questions about its credibility and effectiveness. It called on the Authority to come up with a simplified procedure with less uncertainty which would validate and streamline the process and save both human resources and money without, however, jeopardising the newly set standards for the detection and prevention of conflicts of interests. It also noted with concern that the Authority applies a less stringent conflicts of interest policy to experts from food safety organisations (FSOs), as the list which the Authority uses to indicate these FSOs includes institutes that are nominated by Member States and cofinanced by private or undisclosed partners, creating a possible loophole. Parliament considered that the **Authority should apply a two-year cooling-off period to all material interests related to the commercial agrifood sector**, including research funding, consultancy contracts and decision-making positions in industry-captured organisations. The Authority should ask experts to declare whether their interests were remunerated or not. Current practice of experts anonymising their interests, for instance by using the expression “private company”, should not be accepted by the Authority. It stated that the current declarations of interests forms could be further improved. In addition, it believed that that list should be revised by excluding organisations which receive more than 50% of their funding from sources other than public sources, in order to **avoid undue influence**.

- **Performance**: Parliament requested that the Authority communicate the results and impact its work has on European citizens in an accessible way, mainly through its website.

Lastly, Parliament also made a series of observations on transfers, procurement and recruitment procedures as well as comments on internal controls.

2012 discharge: European Food Safety Authority (EFSA)

2013/2220(DEC) - 03/04/2014 - Final act

PURPOSE: to grant discharge to the European Food Safety Authority for the financial year 2012.

NON-LEGISLATIVE ACT: Decision 2014/583/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 2012.

CONTENT: with this Decision, the European Parliament gives discharge to the Executive Director of the European Food Safety Authority for the implementation of the Authority's budget for 2012.

The Decision is consistent with the European Parliament's resolution adopted on 3 April 2014 and includes a series of observations that form an integral part of the discharge decision (refer to the summary of the opinion of 3 April 2014).

Amongst the main observations made, Parliament regretted the problem of the **legality of the accounts** brought to light by the Court of Auditors and awaits the Authority to implement measures to resolve these issues.