Basic information

2016/2182(DEC) DEC - Discharge procedure	Procedure completed
2015 discharge: European Chemicals Agency (ECHA) **Subject** 8.70.03.05 2015 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	AYALA SENDER Inés (S&D)	05/08/2016
	Shadow rapporteur ZDECHOVSKÝ Tomáš (PPE) FITTO Raffaele (ECR) ALI Nedzhmi (ALDE) DE JONG Dennis (GUE/NGL) JÁVOR Benedek (Verts/ALE) VALLI Marco (EFDD) KAPPEL Barbara (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
ENVI Environment, Public Health and Food Safety	LA VIA Giovanni (PPE)	31/08/2016

European Commission

Commission DG	Commissioner
Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
11/07/2016	Non-legislative basic document published	COM(2016)0475	Summary

04/10/2016	Committee referral announced in Parliament		
22/03/2017	Vote in committee		
28/03/2017	Committee report tabled for plenary	A8-0086/2017	Summary
26/04/2017	Debate in Parliament		
27/04/2017	Decision by Parliament	T8-0165/2017	Summary
27/04/2017	Results of vote in Parliament		
27/04/2017	End of procedure in Parliament		
29/09/2017	Final act published in Official Journal		

Technical information

Procedure reference	2016/2182(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/07494

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	ENVI	PE592.298	31/01/2017	
Committee draft report		PE593.879	06/02/2017	
Amendments tabled in committee		PE599.882	06/03/2017	
Committee report tabled for plenary, single reading		A8-0086/2017	28/03/2017	Summary
Text adopted by Parliament, single reading		T8-0165/2017	27/04/2017	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05873/2017	07/02/2017	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2016)0475	11/07/2016	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary

CofA	Court of Auditors: opinion, report	N8-0117/2016 OJ C 449 01.12.2016, p. 0082	13/09/2016	Summary

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

Final act	
Budget 2017/1660 OJ L 252 29.09.2017, p. 0209	Summary

2015 discharge: European Chemicals Agency (ECHA)

2016/2182(DEC) - 13/09/2016 - 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 2015, 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 focused on the annual accounts of the European Chemicals Agency. To recall, 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 the internal market while enhancing competitiveness and innovation. It also seeks to promote the development of alternative methods for the assessment of hazards relating to substances.

Statement of Assurance: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the Agency, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2015;
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Court's opinion, the Agency's annual accounts present fairly, in all material respects, its financial position as at 31 December 2015 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.

Opinion on the legality and regularity of the transactions underlying the accounts: the Court considers that the transactions underlying the annual accounts for the year ended 31 December 2015 are legal and regular in all material respects. However, the Court did make a comment about a communication problem concerning the cost of after-school care of staff children in the European School in Helsinki.

The report made 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:

- **budgetary management**: the Court noted that carry-overs of committed appropriations were high for biocides operating expenditure at EUR 1.5 million. They mainly concern a large scale IT project (EUR 1.4 million). This project could only be started in the second half of 2015 when sufficient fee income for its funding had been collected.

The Agency's reply:

- **budgetary management**: the ECHA appreciated the conclusion of the European Court of Auditors and will continue to be attentive to avoid any non-justified carry-over operations.

Lastly, the Court of Auditors' report also contained a **summary of the Agency's key figures in 2015**:

- **Budget**: EUR 115.1 million (payment appropriations).
- **Staff**: 572 including officials, temporary and contract staff and seconded national experts.

2015 discharge: European Chemicals Agency (ECHA)

2016/2182(DEC) - 07/02/2017 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2015 and the balance sheet as at 31 December 2015 of the European Chemicals Agency (ECHA), as well as the Court of Auditors' report on the annual accounts of the Agency for the financial year 2015, accompanied by the Agency's replies to the Court's observations, the Council recommended 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 2015.

The Council welcomed the Court's opinion that, in all material respects, the Agency's annual accounts present fairly its financial position as at 31 December 2015 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 2015 are legal and regular in all material respects.

Nevertheless, it made some observations as follows:

- **financial programming**: the Council acknowledged the multiannual nature of the Agency's IT-related projects and noted that a high level of commitment appropriations was carried over to 2016. It encouraged the Agency to continue improving its financial programming and monitoring of the budget implementation, in order to reduce the level of commitments carried over to the following financial year to the minimum strictly necessary.

2015 discharge: European Chemicals Agency (ECHA)

2016/2182(DEC) - 27/04/2017 - Final act

PURPOSE: to grant discharge to the European Chemicals Agency (ECHA) for the financial year 2015.

NON-LEGISLATIVE ACT: Decision (EU) 2017/1660 of the European Parliament on discharge in respect of the implementation of the budget of the European Chemicals Agency for the financial year 2015.

CONTENT: with the present decision, the European Parliament grants discharge to the Executive Director of the European Chemicals Agency discharge in respect of the implementation of the Agency's budget for the financial year 2015.

This decision is in line with the European Parliament's resolution adopted on 27 April 2017 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 27 April 2017).

Amongst Parliament’s main observations in the resolution accompanying the discharge decision, the latter noted that, in line with the discharge authority's recommendation from the previous year, it will include in its next annual report a separate chapter on transparency, accountability and integrity.

Parliament welcomed that the CVs and declarations of interests are well organised, visible, accessible and user-friendly on the Agency's website and that the guidelines for whistleblowers were adopted in December 2015.

Parliament noted that the Agency has implemented a robust conflict of interest policy and a detailed anti-fraud strategy in order to contribute to a culture of high ethical behaviour among the staff and experts working for the Agency.

Lastly, it welcomed the progress made in developing the authorisation process under the REACH Regulation and noted the Agency's conclusions that further improvements can still be made. The Agency’s proactive approach in seeking a dialogue with Parliament to address issues raised in its resolution of 25 November 2015 on the draft Commission Implementing Decision granting an authorisation for uses of bis(2-ethylhexhyl) phthalate (DEHP) under Regulation (EC) No 1907/2006 of the European Parliament and of the Council was welcomed.

2015 discharge: European Chemicals Agency (ECHA)

2016/2182(DEC) - 11/07/2016 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2015, as part of the 2015 discharge procedure.

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

CONTENT: the organisational governance of the EU consists of institutions, agencies and other EU bodies whose expenditure is included in the general budget of the Union.

The EU's operational expenditure of these institutions takes different forms, depending on how the money is paid out and managed.

From 2014 onwards, the Commission classifies its expenditure as follows:

- **Direct management**: the budget is implemented directly by the Commission services.
- **Indirect management**: the Commission confers tasks of implementation of the budget to bodies of EU law or national law, **such as the EU agencies**.
- **Shared management**: under this method of budget implementation tasks are delegated to Member States. About 80 % of the expenditure falls under this management mode covering such areas as agricultural spending and structural actions.

This Commission document concerns the EU's consolidated accounts for the year 2015 and details how spending by the EU institutions and bodies was carried out. The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective.

It is the responsibility of the Commission's Accounting Officer to prepare the EU's consolidated annual accounts and ensure that they present fairly, in all material aspects, the financial position, the result of the operations and the cash flows of the EU institutions and bodies, including the European Chemicals Agency (ECHA), with a view to granting discharge.

Discharge procedure: the final step of a budget lifecycle is the discharge of the budget for a given financial year. It represents the political aspect of the external control of budget implementation and is the decision by which the European Parliament, acting on a Council recommendation, "releases" the Commission (and other EU bodies) from its responsibility for management of a given budget by marking the end of that budget's existence. The European Parliament is the discharge authority within the EU.

The discharge procedure may produce three outcomes: (i) the granting; (ii) postponement or; (iii) the refusal of the discharge.

The final discharge report including specific recommendations to the Commission for action is adopted in plenary by the European Parliament and are subject to an annual follow up report in which the Commission outlines the concrete actions it has taken to implement the recommendations made.

Each agency is subject to its own discharge procedure, including the ECHA.

The European Chemicals Agency: the Agency, which is located in Helsinki (FI), was created by Council Regulation (EC) No 1907/2006 of the European Parliament and the Council to help businesses comply with the legislation in force, promote the safe use of chemicals, provide information on chemicals and assess hazardous substances.

As regards the Agency's accounts, these are presented in detail in the document on the consolidated annual accounts of the European Union for 2015:

Commitment appropriations:

- **committed**: EUR 115 million;
- **paid**: EUR 113 million;
- **carried-over**: 0.

Payment appropriations:

- **committed**: EUR 126 million;
- **paid**: EUR 111 million;
- **carried-over**: EUR 13 million.

For further details on expenditure, please refer to the final accounts of the ECHA.

2015 discharge: European Chemicals Agency (ECHA)

2016/2182(DEC) - 28/03/2017 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Inés AYALA SENDER (S&D, ES) on discharge in respect of the implementation of the budget of the European Chemicals Agency (ECHA) for the financial year 2015.

The committee 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 2015.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Agency for the financial year 2015 were reliable and that the underlying transactions were legal and regular, Members called on Parliament to approve the closure of the Agency'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:

- **Agency's financial statements**: Members noted that the final budget of the Agency for the financial year 2015 was EUR 114 412 841 representing an increase of 0.26 % compared to 2014.
- **Legality and regularity of transactions**: Members stated that the Agency paid 50 % of the cost for after-school care of staff children in the European School in Helsinki. This contribution is limited to EUR 1 000 per child per year, amounting to approximately EUR 95 000 in 2015.

Members took note that **this measure was not communicated to the budgetary authority** in the framework of the budget procedure. The Agency will communicate this measure to the budgetary authority in its 2018-2020 programming document. The Agency already updated the remarks on the relevant budget line by including the information about this measure in the first amendment to the Agency's 2016 budget.

Members also made a series of observations regarding budgetary and financial management, commitments and carry-overs, transfers, procurement and recruitment procedures, the prevention and management of conflicts of interests and internal audits and controls.

On the **prevention and conflicts of interests**, Members stated that the Agency has implemented a robust conflict of interest policy and a detailed anti-fraud strategy in order to contribute to a culture of high ethical behaviour among the staff and experts working for the Agency.

Lastly, Members took note that the Agency developed a new integrated regulatory strategy which brings all REACH and CLP processes together to reach the aims of relevant regulations, as well as the 2020 goals of the 2002 World Summit on Sustainable Development.

2015 discharge: European Chemicals Agency (ECHA)

2016/2182(DEC) - 27/04/2017 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Executive Director of the European Chemicals Agency (ECHA) in respect of the implementation of its budget for the financial year 2015.

The vote on the decision on discharge covers the closure of the accounts (in accordance with Annex IV, Article 5 (1) (a) to Parliament's Rules of Procedure).

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2015 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 512 votes to 106 with 2 abstentions, a resolution containing a series of recommendations, which form an integral part of the decision on discharge and which add to the general recommendations set out in the resolution on performance, financial management and control of EU agencies.

These recommendations may be summarised as follows:

- **Agency's financial statements**: Parliament noted that the final budget of the Agency for the financial year 2015 was EUR 114 412 841 representing an increase of 0.26 % compared to 2014.
- **Legality and regularity of transactions**: It stated that the Agency paid 50 % of the cost for after-school care of staff children in the European School in Helsinki. This contribution is limited to EUR 1 000 per child per year, amounting to approximately EUR 95 000 in 2015. Parliament took note that **this measure was not communicated to the budgetary authority** in the framework of the budget procedure. The Agency will communicate this measure to the budgetary authority in its 2018-2020 programming document. The Agency already updated the remarks on the relevant budget line by including the information about this measure in the first amendment to the Agency's 2016 budget.

Parliament also made a series of observations regarding budgetary and financial management, commitments and carry-overs, transfers, procurement and recruitment procedures, the prevention and management of conflicts of interests and internal audits and controls.

On the **prevention and conflicts of interests**, it stated that the Agency has implemented a robust conflict of interest policy and a detailed anti-fraud strategy in order to contribute to a culture of high ethical behaviour among the staff and experts working for the Agency.

Parliament took note that the Agency developed a new integrated regulatory strategy which brings all REACH and CLP processes together to reach the aims of relevant regulations, as well as the 2020 goals of the 2002 World Summit on Sustainable Development.

Communication: Parliament welcomed the improvement of the way in which information on chemicals is presented on the Agency's website, which helps companies and consumers to make more use of it. It noted that the discussion platform between the Agency and non-governmental organisations is a useful forum for discussing the main issues of interest to civil society.