



EUROPEAN PARLIAMENT

2009 - 2014

Plenary sitting

A7-0146/2011

14.4.2011

REPORT

on discharge in respect of the implementation of the budget of the European Food Safety Authority for the financial year 2009
(C7-0238/2010 – 2010/2178(DEC))

Committee on Budgetary Control

Rapporteur: Georgios Stavrakakis

CONTENTS

1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION.....	3
2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION.....	5
3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION.....	6
OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY	10
RESULT OF FINAL VOTE IN COMMITTEE	14

1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the budget of the European Food Safety Authority for the financial year 2009 (C7-0238/2010 – 2010/2178(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2009, together with the Authority's replies¹,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 – C7-0052/2011),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities², and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002³ establishing a European Food Safety Authority, and in particular Article 44 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002⁴ of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A7-0146/2011),
1. Grants the Executive Director of the European Food Safety Authority discharge in respect of the implementation of the Authority's budget for the financial year 2009;
 2. Sets out its observations in the resolution below;

¹ OJ C 338, 14.12.2010, p. 108.

² OJ L 248, 16.9.2002, p. 1.

³ OJ L 31, 1.2.2002, p. 1.

⁴ OJ L 357, 31.12.2002, p. 72.

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Executive Director of the European Food Safety Authority, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the Official Journal of the European Union (L series).

2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on the closure of the accounts of the European Food Safety Authority for the financial year 2009
(C7-0238/2010 – 2010/2178(DEC))**

The European Parliament,

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2009, together with the Authority's replies¹,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 – C7-0052/2011),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities², and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002³ establishing a European Food Safety Authority, and in particular Article 44 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002⁴ of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A7-0146/2011),
1. Approves the closure of the accounts of the European Food Safety Authority for the financial year 2009;
 2. Instructs its President to forward this Decision to the Executive Director of the European Food Safety Authority, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the Official Journal of the European Union (L series).

¹ OJ C 338, 14.12.2010, p. 108 .

² OJ L 248, 16.9.2002, p. 1.

³ OJ L 31, 1.2.2002, p. 1.

⁴ OJ L 357, 31.12.2002, p. 72.

3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Food Safety Authority for the financial year 2009

(C7-0238/2010 – 2010/2178(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2009, together with the Authority's replies¹,
 - having regard to the Council's recommendation of 15 February 2011 (05892/2011 – C7-0052/2011),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities², and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002³ establishing a European Food Safety Authority, and in particular Article 44 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002⁴ of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A7-0146/2011),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 5 May 2010 Parliament granted the Executive Director of the European Food Safety Authority discharge in respect of the implementation of the Authority's budget for

¹ OJ C 338, 14.12.2010, p. 108.

² OJ L 248, 16.9.2002, p. 1.

³ OJ L 31, 1.2.2002, p. 1.

⁴ OJ L 357, 31.12.2002, p. 72.

the financial year 2008¹, and in its resolution accompanying the discharge decision, inter alia:

- observed that for the third successive year the Court of Auditors has flagged up carryovers of appropriations to the following year (23 % of the 2008 budget was carried over to 2009, 16 % of the 2007 budget was carried over to 2008, 20 % of the 2006 budget was carried over to 2007),
 - noted that 20 out of the 25 recommendations (80 %) made by the Internal Audit Service (IAS) and the Internal Audit Capability (IAC) have been implemented,
 - noted that the second staff survey was launched in October 2008 with a view to assessing the Authority's working environment,
- C. whereas the Authority's budget for the financial year 2009 was EUR 71 400 000, an increase of 7,5 % from the financial year 2008;

Performance

1. Takes note that the Authority's 2009 budget amounted to EUR 71 400 000 compared to EUR 66 400 000 in the previous year;
2. Underlines that, in the course of the budgetary procedure 2009, an overall reserve of EUR 4 546 000 was introduced by the budgetary authority to the Authority's budget; welcomes the fact that EUR 2 000 000 of the reserve was released in November 2009 to implement the IT development and infrastructure projects of the Authority, as it provided the respective committee with the results of the staff opinion survey, which was the condition for lifting the reserve;
3. Notes, further, that the other part of the reserve has been allocated to the same policy area in order to contribute to effective response measures against the H1N1 pandemic; is aware that the Authority has not requested these funds for recruitment procedures as they were postponed to 2010;
4. Congratulates the Authority for having set out, in the table annexed to the Court of Auditors' 2009 report, a comparison of the operations that were carried out during 2008 and 2009 so as to enable the discharge authority to assess more effectively its performance from one year to the next; welcomes the fact that the Authority has increased its number of thematic papers and policy briefings;
5. Observes that the Authority introduced differentiated appropriations for science grants and scientific cooperation projects in 2009 which led to the cancellation of EUR 6 000 000 in payment appropriations; advises the Authority to strengthen the planning and monitoring of budget processes related to differentiated appropriations;
6. Underlines the need for the Authority to ensure its advice is of a high quality and is independent, in order to guarantee compliance with Union safety standards, scientific

¹ OJ L 252, 25.9.2010, p. 155.

excellence and independence on all matters with a direct or indirect impact on food and feed safety, and plant protection; recommends, particularly in the interests of transparency, measures to further foster and monitor internal rules on declarations of interest of staff of the Authority and of experts working for the Authority;

7. Requests that the Court of Auditors undertake performance audits on the Authority;

Budgetary and financial management

8. Calls on the Authority to strengthen the budget processes related to its differentiated appropriations and the planning and monitoring of its multiannual implementation; notes, in fact, that the Court of Auditors reported that EUR 6 000 000 (75 %) of the differentiated appropriations for science grants and scientific cooperation projects had to be cancelled, of which EUR 3 100 000 were funds allocated in excess of the needs identified by the Authority; welcomes, nevertheless, the Authority's intention to take measures based on its experience for the year 2009, the first year in which the concept of differentiated appropriations for scientific cooperation projects was introduced;
9. Urges, in addition, the Authority to improve its budget management in order to reduce its high carryover amounts; stresses, in fact, that for the fourth successive year the Court of Auditors has flagged up carryovers of appropriations to the following year (13 % of the 2009 budget was carried over to 2010, 23 % of the 2008 budget was carried over to 2009, 16 % of the 2007 budget was carried over to 2008 and 20 % of the 2006 budget was carried over to 2007); notes, in particular, that this situation demonstrates weaknesses in the Authority's contract management and monitoring of the remittance of reports and cost statements;
10. Regrets that, for the third successive year, the Court of Auditors pointed out that commitments for operational activities carried over from the previous year had to be cancelled (19 % of commitments for operational activities carried over from 2008, 37 % of commitments for operational activities carried over from 2007 and 26 % of commitments for operational activities carried over from 2006); urges the Authority to change this situation and to notify the Court of Auditors of the measures taken;
11. Notes, in addition, that the Court of Auditors reported difficulties in the implementation of the 2009 work programme; calls, accordingly, on the Authority to take the necessary measures to remedy these deficiencies;

Internal audit

12. Acknowledges that the Authority has sent to the authority responsible for discharge a report drawn up by its Executive Director summarising the content of the IAS recommendation as provided for in Article 72(5) of the framework Financial Regulation; nevertheless is concerned, in particular, that out of the 48 recommendations, one is considered "critical" (on grant management), 27 "very important" and 20 "important" but no information has been given to the discharge authority on the content of these recommendations; urges, accordingly, the Executive Director of the Authority to provide this information;

13. Acknowledges from the Authority that the IAS conducted an in-depth audit risk assessment in the last quarter of 2009 to determine the audit priorities and the IAS audit plan for the next three years, an audit on declarations of interest and an audit on recruitment in 2009;
14. Considers that the audit committee, created by the Authority in 2006, plays an important role in assisting the Management Board by ensuring that the work of the IAS and the IAC is properly carried out and duly taken into consideration by the Management Board and the Executive Director; believes, therefore, that this audit committee within the Authority might serve as an example to other agencies;
15. Reiterates its demand on the Authority to take appropriate measures in case of conflicts of interest; invites the Authority to initiate a survey on potential conflicts of interest of its leading scientists, board and panel members, so that possible omissions in the declarations of interest can be detected and followed by action in a timely manner;

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16. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of ...May 2011¹ on the performance, financial management and control of the agencies.

¹ Texts adopted, P7_TA-PROV(2011)...

16.3.2011

OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY

for the Committee on Budgetary Control

on discharge in respect of the implementation of the budget of the European Food Safety
Authority for the financial year 2009
(C7-0238/2010 - 2010/2178(DEC))

Rapporteur: Jutta Haug

SUGGESTIONS

The Committee on the Environment, Public Health and Food Safety calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Takes note that the European Food Safety Authority (EFSA) 2009 budget amounted to EUR 71 400 000 compared to EUR 66 400 000 in the previous year;
2. Underlines that, in the course of the budgetary procedure 2009, an overall reserve of EUR 4 546 000 was introduced by the budgetary authority to the EFSA budget; welcomes the fact that EUR 2 000 000 of the reserve was released in November 2009 to implement the IT development and infrastructure projects of the EFSA, as the EFSA provided the relevant committee with the results of the staff opinion survey, which was the condition for releasing the reserve;
3. Notes, further, that the other part of the reserve has been allocated to the same policy area in order to contribute to effective response measures against the H1N1 pandemic; is aware that the EFSA has not requested these funds for recruitment procedures as they have been postponed to 2010;
4. Observes that the EFSA introduced differentiated appropriations for science grants and scientific cooperation projects in 2009 which led to the cancellation of EUR 6 000 000 in payment appropriations; advises the EFSA to strengthen the planning and monitoring of budget processes related to differentiated appropriations;

5. Underlines the need for the EFSA to ensure its advice is high quality and independent in order to guarantee compliance with Union safety standards and scientific excellence and independence on all matters with a direct or indirect impact on food and feed safety and plant protection; recommends measures to further foster and monitor internal rules on declaration of interests for EFSA staff and experts working for the EFSA;
6. Recommends, particularly in the interests of transparency, measures to further foster and monitor compliance with the internal rules on declaration of the interests for EFSA staff and experts working for the EFSA;
7. Requests the Court of Auditors to undertake performance audits on the EFSA;
8. On the basis of the data available, is of the opinion that discharge can be granted to the Executive Director of the European Food Safety Authority in respect of implementation of the budget of the EFSA for the financial year 2009.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	16.3.2011
Result of final vote	+: 45 -: 6 0: 6
Members present for the final vote	János Áder, Kriton Arsenis, Pilar Ayuso, Paolo Bartolozzi, Sandrine Bélier, Sergio Berlato, Martin Callanan, Nessa Childers, Chris Davies, Bairbre de Brún, Bas Eickhout, Edite Estrela, Karl-Heinz Florenz, Elisabetta Gardini, Julie Girling, Cristina Gutiérrez-Cortines, Satu Hassi, Jolanta Emilia Hibner, Dan Jørgensen, Karin Kadenbach, Christa Klauß, Holger Kraemer, Jo Leinen, Corinne Lepage, Linda McAvan, Radvilė Morkūnaitė-Mikulėnienė, Miroslav Ouzký, Vladko Todorov Panayotov, Gilles Pargneaux, Antonia Parvanova, Andres Perello Rodriguez, Sirpa Pietikäinen, Mario Pirillo, Pavel Poc, Vittorio Prodi, Frédérique Ries, Anna Rosbach, Oreste Rossi, Dagmar Roth-Behrendt, Daciana Octavia Sârbu, Carl Schlyter, Horst Schnellhardt, Richard Seiber, Theodoros Skylakakis, Bogusław Sonik, Salvatore Tatarella, Åsa Westlund, Glenis Willmott, Sabine Wils, Marina Yannakoudakis
Substitute(s) present for the final vote	Jutta Haug, Marisa Matias, Bill Newton Dunn, Bart Staes, Eleni Theocharous, Thomas Ulmer, Anna Záborská

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	11.4.2011
Result of final vote	+: 22 -: 1 0: 1
Members present for the final vote	Marta Andreasen, Jean-Pierre Audy, Inés Ayala Sender, Zigmantas Balčytis, Andrea Češková, Jorgo Chatzimarkakis, Luigi de Magistris, Tamás Deutsch, Jens Geier, Ingeborg Gräßle, Ville Itälä, Iliana Ivanova, Monica Luisa Macovei, Jan Olbrycht, Aldo Patriciello, Bart Staes, Georgios Stavrakakis
Substitute(s) present for the final vote	Thijs Berman, Cornelis de Jong, Christofer Fjellner, Monika Hohlmeier, Sidonia Elżbieta Jędrzejewska, Ivailo Kalfin, Véronique Mathieu, Jan Mulder, Derek Vaughan
Substitute(s) under Rule 187(2) present for the final vote	Peter Skinner