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A8-0134/2016

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REPORT

on discharge in respect of the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2014 (2015/2169(DEC))

Committee on Budgetary Control

Rapporteur: Derek Vaughan

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1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on discharge in respect of the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2014
(2015/2169(DEC))**

The European Parliament,

- having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of the European Agency for Safety and Health at Work for the financial year 2014, together with the Agency's replies¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016–C8- 0067/2016),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³, and in particular Article 208 thereof,
- having regard to Council Regulation (EC) No 2062/94 of 18 July 1994 establishing a European Agency for Safety and Health at Work⁴, and in particular Article 14 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities⁵,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council⁶, and in particular Article 108 thereof,

¹ OJ C 409, 9.12.2015, p. 284.

² OJ C 409, 9.12.2015, p. 284.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 216, 20.8.1994, p. 1.

⁵ OJ L 357, 31.12.2002, p. 72.

⁶ OJ L 328, 7.12.2013, p. 42.

- having regard to Rule 94 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0134/2016),
1. Grants the Director of the European Agency for Safety and Health at Work discharge in respect of the implementation of the Agency's budget for the financial year 2014;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the European Agency for Safety and Health at Work, 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 Agency for Safety and Health at Work for the financial year 2014 (2015/2169(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of the European Agency for Safety and Health at Work for the financial year 2014, together with the Agency's replies¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016–C8- 0067/2016),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³, and in particular Article 208 thereof,
- having regard to Council Regulation (EC) No 2062/94 of 18 July 1994 establishing a European Agency for Safety and Health at Work⁴, and in particular Article 14 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities⁵,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council⁶, and in particular Article 108 thereof,

¹ OJ C 409, 9.12.2015, p. 284.

² OJ C 409, 9.12.2015, p. 284.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 216, 20.8.1994, p. 1.

⁵ OJ L 357, 31.12.2002, p. 72.

⁶ OJ L 328, 7.12.2013, p. 42.

- having regard to Rule 94 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0134/2016),
1. Notes that the final annual accounts of the European Agency for Safety and Health at Work are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of the European Agency for Safety and Health at Work for the financial year 2014;
 3. Instructs its President to forward this decision to the Director of the European Agency for Safety and Health at Work, 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).

3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2014 (2015/2169(DEC))

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2014,
 - having regard to Rule 94 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0134/2016),
- A. whereas, according to its financial statements, the final budget of the European Agency for Safety and Health at Work (“the Agency”) for the financial year 2014 was EUR 17 256 026, representing a decrease of 1,17 % compared to 2013;
- B. whereas the Union’s contribution for the financial year 2014 to the Agency’s budget amounted to EUR 14 987 210, representing a decrease of 4,02 % compared to 2013;
- C. whereas the Court of Auditors (“the Court”) in its report on the Agency’s annual accounts financial year 2014 (“the Court’s report”), stated that it had obtained reasonable assurances that the Agency’s annual accounts were reliable and that the underlying transactions were legal and regular;

Follow-up of 2013 discharge

1. Notes from the Court's report that regarding two comments made in the Court’s 2013 report, corrective actions had been taken and the two comments are now marked in the Court’s report as "N/A";

Budget and financial management

2. Notes that the budget monitoring efforts during the financial year 2014 resulted in the budget implementation rate of 98,65 %, and that the payment appropriations execution rate was 75,59 %;

Commitments and carry-overs

3. Notes that the level of committed appropriations carried over to 2015 for Title II (administrative expenditure) was at EUR 443 412 or 34 %; acknowledges that those carry-overs relate mainly to the purchase of goods and services, as planned, at the end of the year in connection with the Agency's fitting out of its new premises, with the renewal of annual IT contracts and with the cost of audit services;
4. Observes that an amount of EUR 4 384 922 was carried forward from the financial year

2013; notes with satisfaction that only 1,96 % of the 2013 carry-overs were cancelled;

Transfers

5. Notes that according to the annual activity report, as well as the Court of Auditors' audit findings, the level and nature of transfers in 2014 have remained within the limits of the financial rules as in the previous year;

Procurement and recruitment procedures

6. Notes that the Agency completed five recruitment procedures in 2014 with one ongoing and another three planned for 2015; acknowledges that all current recruitment is either to replace staff leaving or temporary contracts to cover long-term sickness or maternity leave; notes that the Court made no comments on the Agency's recruitment procedures in its annual report for 2014;

Prevention and management of conflicts of interests and transparency

7. Acknowledges that, further to the adoption of the Agency's conflicts of interest policy in November 2014, no conflict of interest situations were detected;
8. Calls for an overall improvement in the prevention of, and the fight against, corruption through a holistic approach, commencing with better public access to documents and more stringent rules on conflicts of interest, the introduction or strengthening of transparency registers and the provision of sufficient resources for law enforcement measures, and also through improved cooperation among Member States and with relevant third countries;
9. Recalls that existing procedures regarding the prevention of conflicts of interests for the Agency's staff are under revision and were to be completed in 2015; notes that the revision of the rules remains ongoing and calls on the Agency to complete that process as soon as possible and to inform the discharge authority of the results;
10. Encourages the Agency to better raise awareness of the conflict-of-interest policy among its staff, alongside ongoing awareness-raising activities and the inclusion of integrity and transparency as an obligatory item to be discussed during recruitment procedures and performance reviews;

Internal controls

11. Takes note of the fact that in the annual management plan of 2014, the Agency agreed on measures to further improve the effectiveness of the Agency's Internal Control Standards ("ICS") in several areas; notes that, given the scope of the areas identified, a multi-annual action plan was prepared; notes furthermore that in June 2014, the Agency's Director adopted an internal control policy that includes a specific procedure on ICS self-assessment, which is based on established practice at the Agency, gives an account of the internal control systems in force and defines roles and responsibilities in relation to the implementation of the procedure;

Internal audit

12. Notes that the Commission's internal audit service ("IAS") serves as the Agency's

internal auditor and carries out audits at the Agency on the basis of a strategic internal audit plan (“SIAP”); notes, furthermore, that in 2014, the IAS did not perform any new audits and that the next audit in the framework of the SIAP took place in April 2015;

Other comments

13. Notes from the Court’s report that, following the amendment of the Staff Regulations in 2004 by Council Regulation (EC, Euratom) No 723/2004¹, these included provisions that future remuneration of officials recruited before 1 May 2004 should not be less than under the previous Staff Regulations; observes that the Court’s audit revealed that this was not complied with and, in the case of one of the 26 officials employed at the time, this led to an underpayment of EUR 5 300 for the period 2005 to 2014; notes that the Agency undertook necessary actions to remedy that issue;
14. Notes that the Agency’s move to its new premises was completed late in 2013 but fully implemented in 2014; welcomes the fact that the new premises give the staff more space and better working conditions as well as better meeting facilities for visitors; notes with satisfaction that the move has resulted in substantial savings on rent; welcomes that the seat agreement with the Spanish authorities secures the Agency’s home in the long term;
15. States that the annual reports of the Agency could play an important role in compliance regarding transparency, accountability and integrity; calls on the Agency to include a standard chapter on those components in its annual report;
16. Recognises the key role of the Agency for the implementation of the EU Strategic Framework on Health and Safety at Work 2014 to 2020;
17. Notes that 2014 was the first year of the of the Agency’s new multiannual strategic programme for the years 2014 to 2020; appreciates the positive indications regarding the Agency’s achievements during the first year of the strategy in the following priority areas defined in the strategy: anticipating change, facts and figures, tools for occupational safety and health management, awareness raising, networking knowledge and corporate communication;
18. Welcomes the active cooperation between the Agency and the relevant Member States’ authorities;
19. Commends the work of the agency in developing an online interactive risk assessment tool and its efforts through the Healthy Workplaces Campaign to strengthen risk prevention and promote sustainable and healthy workplaces;

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¹ Council Regulation (EC, Euratom) No 723/2004 of 22 March 2004 amending the Staff Regulations of officials of the European Communities and the Conditions of Employment of other servants of the European Communities (OJ L 124, 27.04.2004, p. 1)

20. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of [xx xxxx 2016]¹ on the performance, financial management and control of the agencies.

¹ Texts adopted of that date, P[8_TA(-PROV)(2016)0000].

OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS

for the Committee on Budgetary Control

on discharge in respect of the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2014
(2015/2169(DEC))

Rapporteur: David Casa

SUGGESTIONS

The Committee on Employment and Social Affairs calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Expresses its satisfaction that the Court of Auditors has declared the transactions underlying the Agency's annual account for the financial year 2014 to be legal and regular in all material respects and that its financial position as of 31 December 2014 is fairly represented;
2. Recognizes the key role of the Agency for the implementation of the EU Strategic Framework on Health and Safety at Work 2014-2020;
3. Notes that 2014 was the first year of the of the Agency's new multiannual strategic programme for the years 2014-2020; appreciates the positive indications regarding the Agency's achievements during the first year of the strategy in the following priority areas defined in the strategy: anticipating change, facts and figures, tools for occupational safety and health management, awareness raising, networking knowledge and corporate communication;
4. Welcomes the active cooperation between the Agency and the relevant Member States' authorities;
5. Acknowledges that the implementation rate of the budget remained high in 2014 (99 %), indicating that commitments were made in a timely manner; notes however the carry-over level in Title II (34 %) has further increased from the previous year, which mainly resulted from the purchase of goods and services at the end of the year in connection with the Agency's fitting out of its new premises, with the renewal of annual IT contracts and

the cost of audit services;

6. Welcomes the inauguration of the new premises of the Agency, which provides staff with more space and better working conditions and visitors with better meeting facilities; and which furthermore has resulted in substantial savings on rent; welcomes that the seat agreement with the Spanish authorities secures the Agency's home in the long term;
7. Commends the work of the agency in developing an online interactive risk assessment tool and its efforts through the Healthy Workplaces Campaign to strengthen risk prevention and promote sustainable and healthy workplaces.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	25.1.2016
Result of final vote	+: 34 -: 8 0: 0
Members present for the final vote	Laura Agea, Guillaume Balas, Enrique Calvet Chambon, David Casa, Ole Christensen, Jane Collins, Lampros Fountoulis, Arne Gericke, Thomas Händel, Marian Harkin, Czesław Hoc, Rina Ronja Kari, Agnieszka Kozłowska-Rajewicz, Kostadinka Kuneva, Jean Lambert, Jérôme Lavrilleux, Jeroen Lenaers, Dominique Martin, Anthea McIntyre, Joëlle Mélin, Elisabeth Morin-Chartier, Emilian Pavel, Georgi Pirinski, Terry Reintke, Sofia Ribeiro, Claude Rolin, Sven Schulze, Jutta Steinruck, Romana Tomc, Renate Weber, Tatjana Ždanoka, Jana Žitňanská
Substitutes present for the final vote	Maria Arena, Amjad Bashir, Lynn Boylan, Miapetra Kumpula-Natri, Paloma López Bermejo, Edouard Martin, Evelyn Regner, Michaela Šojdrová
Substitutes under Rule 200(2) present for the final vote	Eleonora Evi, Anneli Jäätteenmäki

RESULT OF FINAL VOTE IN COMMITTEE RESPONSIBLE

Date adopted	4.4.2016
Result of final vote	+ : 15 - : 4 0 : 0
Members present for the final vote	Louis Aliot, Inés Ayala Sender, Dennis de Jong, Martina Dlabajová, Ingeborg Gräßle, Verónica Lope Fontagné, Monica Macovei, Dan Nica, Gilles Pargneaux, Georgi Pirinski, Petri Sarvamaa, Claudia Schmidt, Bart Staes, Marco Valli, Derek Vaughan, Anders Primdahl Vistisen, Tomáš Zdechovský
Substitutes present for the final vote	Marian-Jean Marinescu
Substitutes under Rule 200(2) present for the final vote	Bodil Valero