



**2016/2167(DEC)**

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## **DRAFT 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 2015 (2016/2167(DEC))

Committee on Budgetary Control

Rapporteur: Inés Ayala Sender

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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 2015  
(2016/2167(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 2015,
- 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 2015, together with the Agency's reply<sup>1</sup>,
- having regard to the statement of assurance<sup>2</sup> 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 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of ... February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (00000/2017 – C8-0000/2017),
- 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 1605/2002<sup>3</sup>, 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 Work<sup>4</sup>, and in particular Article 14 thereof,
- 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 Council<sup>5</sup>, and in particular Article 108 thereof,
- having regard to Rule 94 of and Annex IV 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 (A8-0000/2017),

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<sup>1</sup> OJ C 449, 1.12.2016, p. 179.

<sup>2</sup> OJ C 449, 1.12.2016, p. 179.

<sup>3</sup> OJ L 298, 26.10.2012, p. 1.

<sup>4</sup> OJ L 216, 20.8.1994, p. 1.

<sup>5</sup> OJ L 328, 7.12.2013, p. 42.

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 2015 / Postpones its decision on granting 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 2015;
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 2015 (2016/2167(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 2015,
- 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 2015, together with the Agency's reply<sup>1</sup>,
- having regard to the statement of assurance<sup>2</sup> 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 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of ... February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (00000/2017 – C8-000/2017),
- 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 1605/2002<sup>3</sup>, 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 Work<sup>4</sup>, and in particular Article 14 thereof,
- 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 Council<sup>5</sup>, and in particular Article 108 thereof,
- having regard to Rule 94 of and Annex IV 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 (A8-0000/2017),

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<sup>1</sup> OJ C 449, 1.12.2016, p. 179.

<sup>2</sup> OJ C 449, 1.12.2016, p. 179.

<sup>3</sup> OJ L 298, 26.10.2012, p. 1.

<sup>4</sup> OJ L 216, 20.8.1994, p. 1.

<sup>5</sup> OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of the European Agency for Safety and Health at Work for the financial year 2015 / Postpones the closure of the accounts of the European Agency for Safety and Health at Work for the financial year 2015;
2. 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 2015 (2016/2167(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 2015,
- having regard to Rule 94 of and Annex IV 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 (A8-0000/2017),
- 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 2015 was EUR 16 852 526, representing a decrease of 2,34 % compared to 2014,
- B. whereas the Union’s contribution for the financial year 2015 to the Agency’s budget amounted to EUR 14 852 526, representing an increase of 3,42 % compared to 2014,
- C. whereas the Court of Auditors (“the Court”), in its report on the Agency’s annual accounts for financial year 2015 (the “Court’s report”), stated that it has obtained reasonable assurances that the Agency’s annual accounts are reliable and that the underlying transactions are legal and regular,

#### ***Follow-up of 2014 discharge***

1. Notes from the Court’s report that regarding two comments made in its 2014 report, corrective actions were taken and the two comments are now marked as “not applicable” and “completed”;

#### ***Budget and financial management***

2. Notes that the budget monitoring efforts during the financial year 2015 resulted in a the budget implementation rate of 97,5 %, representing a decrease of 1,2 % compared to the previous year, and that the payment appropriations execution rate was at 72,1 %, representing a decrease of 3,50 % compared to the financial year 2014;
3. Acknowledges the fact that the Agency’s activity-based approach to budgeting, piloted in 2014, was fully implemented in 2015, allowing the Agency to plan further ahead as well as to put greater emphasis on collaboration and teamwork within the organisation; acknowledges moreover that the Agency made a great deal of progress on the development of an e-tool for activity-based management and budgeting which was to be implemented in 2016; calls on the Agency to inform the discharge authority on the effects the e-tool’s implementation will have on its organisation;

### ***Commitments and carry-overs***

4. Notes that the budget allocated under Title II (administrative expenditure) was implemented to a level of 97,4 %; notes from the Court's report that the level of committed appropriations for Title II amounted to 25,56 %, mainly due to the services that are contracted for a period covering two calendar years, as well as IT services which had not yet been fully delivered or been invoiced by the end of 2015;
5. Notes, moreover, that the budget allocated under Title III (operational expenditure) was implemented to a level of 98,36 %; notes from the Court's report that the level of committed appropriations for Title III amounted to 40,80 %, mainly due to the large-scale research projects with a duration of more than one year, and due to a board meeting held in January 2016 which was supposed to be organised in the last quarter of 2015;
6. Points out that carry-overs are often partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the Agency and communicated to the Court;

### ***Transfers***

7. Acknowledges the fact that during the financial year 2015, 10 budgetary transfers, totalling EUR 723 300, were carried out in order to reallocate resources from areas where budgetary savings were identified towards areas of scarce resources, to ensure the achievement of the year's objectives; notes with satisfaction that, according to the annual activity report, the level and nature of transfers in 2015 remained within the limits of the financial rules;

### ***Procurement and recruitment procedures***

8. Takes note that in 2015 the Agency contracted out goods and services for a total amount of EUR 7 926 184; notes moreover that 16,64 % of the procurement amount was awarded through four open procedures and 11,41 % through 77 negotiated procedures; takes note that 64,73 % of the procurement amount was committed through 170 specific contracts or purchase orders under framework contracts and 7,22 % through Commission service-level agreements and framework contracts;
9. Observes that in 2015 the Agency made significant progress regarding the implementation of the 2013 Staff Regulations, making sure that its internal rules and procedures were aligned; notes that a procurement process was launched for external consultants to advise on the Agency's structure and work organisation and to identify options for maximising human and financial resources by improving efficiency and effectiveness to best meet the objectives set out in the Agency's multi-annual strategic programme 2014 to 2020; takes note that the Agency filled six vacancies during 2015 while two recruitment procedures were to be completed in 2016;
10. Acknowledges the fact that, by cancelling two temporary agent AST posts in 2015, the Agency reduced the number of its staff members by 5 %, in line with the overall

principles laid down in the Interinstitutional Agreement on budgetary discipline<sup>1</sup>; notes that the Commission classified the Agency as a ‘cruising speed agency’, implying an additional 5 % reduction and cancellation of one AST post in 2016; notes with concern that with the additional staff reduction, fulfilment of the Agency’s mandates and annual work programmes proves increasingly difficult; calls on the Commission and the budgetary authority to look into other options in order not to hinder the Agency’s ability to fulfil its mandate;

### ***Prevention and management of conflicts of interests and transparency***

11. Acknowledges that the Agency’s governing board adopted an anti-fraud strategy on the basis of the guidelines issued by the European Anti-Fraud Office (OLAF) for the Union agencies; notes that the objectives of the anti-fraud strategy, which covers the 2015 to 2018 period, were operationalised by a detailed action plan and its implementation is being monitored by the Agency’s bureau; notes with satisfaction that during 2015, no cases were transmitted to OLAF and OLAF did not initiate any cases concerning the Agency’s activity on the basis of other sources of information;
12. Notes that the Agency has yet to implement internal rules on whistleblowing; acknowledges the fact that the Agency is awaiting guidelines from the Commission and it foresees adoption of the necessary rules in the near future; asks the Agency to report to the discharge authority on the establishment and implementation of its whistleblowing rules;
13. Notes with concern that the Agency’s policy on the prevention and management of conflicts of interests does not take into account external staff members, interim staff and seconded national experts;
14. Notes that the Agency’s website was completely redesigned and re-launched in 2015, is available in 25 languages, and has been complemented by an “OSH wiki”, which provides detailed information across a wide range of safety and health topics; notes with satisfaction that, as part of the project, the Agency worked with the Translation Centre to develop a new functionality in the website’s back office that greatly facilitates the management of translations, and that this functionality is now being made available to other agencies and bodies;

### ***Internal audit***

15. Notes that, the Agency had no “critical” or “very important” open recommendations from the audits performed by the Commission’s Internal Audit Service (IAS) at the end of 2015; acknowledges the fact that the last open recommendation, marked as “very Important” and stemming from the 2013 IAS audit on “reporting and building blocks of assurance” was marked as closed by the IAS in June 2015; notes, moreover, that the Agency followed up on the last open recommendations from the IAS 2012 and 2013 audits which were submitted to the IAS for review;

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<sup>1</sup> Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management (OJ C 373, 20.12.2013, p. 1)

## *Performance*

16. Acknowledges that the Agency's business continuity plan was fully revised, tested, and the final version was adopted; takes note that the Agency's ICT team entered into a collaboration with the Computer Emergency Response Team of the EU to improve IT security; observes that the Agency implemented its own tool for recording software issues, thereby making suppliers more accountable and allowing the history of an issue to be accessed more easily;
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17. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of [xx xxxx 2017]<sup>1</sup> [on the performance, financial management and control of the agencies].).

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<sup>1</sup> Texts adopted of that date, P[8\_TA(-PROV)(2017)0000].