



EUROPEAN PARLIAMENT

2014 - 2019

Committee on Budgetary Control

2014/2116(DEC)

29.1.2015

DRAFT REPORT

on discharge in respect of the implementation of the budget of the European
Chemicals Agency for the financial year 2013
(2014/2116(DEC))

Committee on Budgetary Control

Rapporteur: Ryszard Czarnecki

CONTENTS

	Page
1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION	3
2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION	5
3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION	7

1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the budget of the European Chemicals Agency for the financial year 2013 (2014/2116(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Chemicals Agency for the financial year 2013,
- having regard to the Court of Auditors' report on the annual accounts of the European Chemicals Agency for the financial year 2013, 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 2013, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of ... on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2013 (00000/2015 – C8-0000/2015),
- having regard to 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 Communities³,
- 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 1605/2002⁴, and in particular Article 208 thereof,
- having regard to Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC⁵, and in particular Article 97 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of

¹ OJ C 442, 10.12.2014, p. 132.

² OJ C 442, 10.12.2014, p. 132.

³ OJ L 248, 16.9.2002, p. 1.

⁴ OJ L 298, 26.10.2012, p. 1.

⁵ OJ L 396, 30.12.2006, p. 1.

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 Communities¹,

- 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 Council², and in particular Article 108 thereof,
 - 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 the Environment, Public Health and Food Safety (A8-0000/2015),
1. Grants the Executive Director of the European Chemicals Agency discharge in respect of the implementation of the Agency's budget for the financial year 2013 / Postpones its decision on granting the Executive Director of the European Chemicals Agency discharge in respect of the implementation of the Agency's budget for the financial year 2013;
 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 Executive Director of the European Chemicals Agency, 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).

¹ OJ L 357, 31.12.2002, p. 72.

² OJ L 328, 7.12.2013, p. 42.

2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on the closure of the accounts of the European Chemicals Agency for the financial year 2013 (2014/2116(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Chemicals Agency for the financial year 2013,
- having regard to the Court of Auditors' report on the annual accounts of the European Chemicals Agency for the financial year 2013, 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 2013, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of ... on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2013 (00000/2015 – C8-0000/2015),
- having regard to 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 Communities³,
- 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 1605/2002⁴, and in particular Article 208 thereof,
- having regard to Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC⁵, and in particular Article 97 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of

¹ OJ C 442, 10.12.2014, p. 132.

² OJ C 442, 10.12.2014, p. 132.

³ OJ L 248, 16.9.2002, p. 1.

⁴ OJ L 298, 26.10.2012, p. 1.

⁵ OJ L 396, 30.12.2006, p. 1.

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 Communities¹,

- 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 Council², and in particular Article 108 thereof,
 - 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 the Environment, Public Health and Food Safety (A8-0000/2015),
1. Notes that the final annual accounts of the European Chemicals Agency are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of the European Chemicals Agency for the financial year 2013 / Postpones the closure of the accounts of the European Chemicals Agency for the financial year 2013;
 3. Instructs its President to forward this decision to the Executive Director of the European Chemicals Agency, 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 L 357, 31.12.2002, p. 72.

² OJ L 328, 7.12.2013, p. 42.

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 Chemicals Agency for the financial year 2013
(2014/2116(DEC))**

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Chemicals Agency for the financial year 2013,
 - 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 the Environment, Public Health and Food Safety (A8-0000/2015),
- A. whereas, according to its financial statements, the final budget of the European Chemicals Agency (“the Agency”) for the financial year 2013 was EUR 107 270 800,
- B. whereas the Agency received Union subsidies of EUR 7 632 000 from the Commission and Instrument for Pre-Accession Assistance pre-financing amounting to EUR 103 524, as well as other contributions and funding from the Commission amounting to EUR 920 900,
- C. whereas the Court of Auditors (“the Court”), in its report on the annual accounts of the European Chemicals Agency for the financial year 2013 (“the Court’s report”), has 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 2012 discharge

1. Notes from the Court’s report that regarding two comments made in its 2011 report and marked as "Ongoing" in its 2012 report, one corrective action has been taken and is marked in its 2013 report as "Completed" whereas one is marked as “Not applicable”; notes furthermore that for the two comments made in the Court’s 2012 report, one corrective actions has been taken in response and the comment is marked as “Completed” whereas one is marked as “Not Applicable”;
2. Acknowledges from the Agency that:
 - a. a formal policy on fixed assets management has been established and implemented in 2013; notes that the Court considered the related recommendation in its report as completed;
 - b. the Agency has published the curricula vitae and the declarations of interests for all members of the Management Board on its website;
 - c. the information on the impact of its activities on Union citizens is provided on the Agency’s website through multiple tools and through the publication of the

strategic documents such as general reports or reports on evaluation;

Budget and financial management

3. Notes that budget monitoring efforts during the financial year 2013 resulted in a budget implementation rate of 98,64 % and that the payment appropriations execution rate was 86,18 %; notes that the payment appropriations execution rate increased by 3,28 % in comparison to the previous year; notes furthermore from the Court's report that it considers the budget implementation rates for Title I and II satisfactory;

Commitments and carry-overs

4. Notes with concern that the level of committed appropriations carried over to 2014 remained high at 46 % for Titles III, IV and V (operational expenses); acknowledges however from the Court's report that these carry-overs were mainly as a result of the multiannual nature of planned IT development projects, costs for translations ordered but not received by year-end and substance evaluations for which the regulatory deadline was February 2014;

Implementation of REACH

5. Notes the appointment of a small and medium-sized enterprises (SMEs) ambassador who advocates the interest of smaller companies externally and internally within the Agency; notes furthermore that the Agency's priority is to provide intensive support so that SMEs will be able to comply with the requirements, without this posing a disproportionate burden for them;
6. Notes the actions taken in order to improve communication between the Agency and its beneficiaries; observes in this regard the development of IT tools such as Frequently Asked Questions or technical guidance and the publication of a roadmap in the run-up to the registration deadline, as well as support for national help-desks;
7. Notes the introduction of the authorisation process as part of the REACH Regulation in order to stimulate the substitution of the most hazardous chemicals and innovation by swapping them for safer alternatives;

Procurement and recruitment procedures

8. Notes that for the year 2013, neither sampled transactions nor other audit findings have led to any comments on the Agency's procurement procedures in the Court's report; notes furthermore that the Court in its report made no comments as regards the Agency's recruitment procedures;

Internal audit

9. Notes from the Agency's General Report that in 2013, the Commission's Internal Audit Service (IAS) carried out an audit on "Committees Management in the European Chemicals Agency", resulting in seven recommendations, including one marked as

"Very Important";

10. Notes that the very important recommendation concerns a review of the Agency's interpretation of the timeframe for the completion of risk assessment committee opinions on substances proposed for harmonised classification, labelling and packaging under the Regulation (EC) No 1272/2008 of the European Parliament and of the Council¹;
11. Takes note that the Agency's Internal Audit Capability (IAC) carried out assurance audits on the implementation of video-surveillance at the Agency's premises, on the forum secretariat and on document and record management; ascertains that the action plans have been developed in response to the IAS' and IAC' recommendations;

Other comments

12. Notes with concern that the Agency's Executive Director made a reservation regarding his declaration of assurance for the year 2013, since the Agency's mandate does not include controls or inspections at national level and therefore, no confirmation could be given that only registered or authorised substances and products, for which a fee was paid to the Agency, were circulating on the Union market;

o

o o

13. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of ... 2015² on the performance, financial management and control of the agencies.

¹ Regulation (EC) No 1272/2008 of the European Parliament and of the Council of 16 December 2008 on classification, labelling and packaging of substances and mixtures, amending and repealing Directives 67/548/EEC and 1999/45/EC, and amending Regulation (EC) No 1907/2006 (OJ L 353, 31.12.2008, p. 1).

² Texts adopted, P8_TA-PROV(2015).