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*Plenary sitting*

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**A8-0097/2015**

30.3.2015

# REPORT

on discharge in respect of the implementation of the budget of the European Food Safety Authority for the financial year 2013  
(2014/2108(DEC))

Committee on Budgetary Control

Rapporteur: Ryszard Czarnecki

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## 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 2013 (2014/2108(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2013,
- having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2013, together with the Authority's replies<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 2013, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 17 February 2015 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2013 (05304/2015 – C8-0054/2015),
- 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 Communities<sup>3</sup>,
- 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>4</sup>, and in particular Article 208 thereof,
- having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing a European Food Safety Authority and laying down procedures in matters of food safety<sup>5</sup>, and in particular Article 44 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

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<sup>1</sup> OJ C 442, 10.12.2014, p. 160.

<sup>2</sup> OJ C 442, 10.12.2014, p. 160.

<sup>3</sup> OJ L 248, 16.9.2002, p. 1.

<sup>4</sup> OJ L 298, 26.10.2012, p. 1.

<sup>5</sup> OJ L 31, 1.2.2002, p. 1.

Regulation applicable to the general budget of the European Communities<sup>1</sup>,

- 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>2</sup>, 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 (A8-0097/2015),
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 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 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).

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<sup>1</sup> OJ L 357, 31.12.2002, p. 72.

<sup>2</sup> OJ L 328, 7.12.2013, p. 42.

## 2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

### **on the closure of the accounts of the European Food Safety Authority for the financial year 2013 (2014/2108(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2013,
- having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2013, together with the Authority's replies<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 2013, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 17 February 2015 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2013 (05304/2015 – C8-0054/2015),
- 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 Communities<sup>3</sup>,
- 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>4</sup>, and in particular Article 208 thereof,
- having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing a European Food Safety Authority and laying down procedures in matters of food safety<sup>5</sup> and in particular Article 44 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

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<sup>1</sup> OJ C 442, 10.12.2014, p. 160.

<sup>2</sup> OJ C 442, 10.12.2014, p. 160.

<sup>3</sup> OJ L 248, 16.9.2002, p. 1.

<sup>4</sup> OJ L 298, 26.10.2012, p. 1.

<sup>5</sup> OJ L 31, 1.2.2002, p. 1.

Regulation applicable to the general budget of the European Communities<sup>1</sup>,

- 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>2</sup>, 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 (A8-0097/2015),
1. Notes that the final annual accounts of the European Food Safety Authority are as annexed to the Court of Auditors' report;
  2. Approves the closure of the accounts of the European Food Safety Authority for the financial year 2013;
  3. 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).

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<sup>1</sup> OJ L 357, 31.12.2002, p. 72.

<sup>2</sup> 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 Food Safety Authority for the financial year 2013  
(2014/2108(DEC))**

*The European Parliament,*

- having regard to its decision on discharge in respect of the implementation of the budget of the European Food Safety Authority 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 (A8-0097/2015),
- A. whereas, according to its financial statements, the final budget of the European Food Safety Authority (“the Authority”) for the financial year 2013 was EUR 78 051 000, representing a decrease of 0, 31 % compared to 2012,
- B. whereas the entire budget of the Authority derives from the Union budget,
- C. whereas the Court of Auditors, in its report on the annual accounts of the European Food Safety Authority for the financial year 2013 (“the Court’s report”), has stated that it has obtained reasonable assurances that the Authority’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 three comments made in the Court’s 2011 report and marked as “Ongoing” in the Court’s 2012 report, corrective actions were taken and two are now marked in the Court’s report as “Completed” and one as "Not Applicable"; notes, furthermore, that for the three comments made in the Court’s 2012 report, corrective actions were taken and one comment is now marked as 'Completed', one as "Not Applicable" and one as "Ongoing";
2. Acknowledges from the Authority that:
  - the local systems validation has been incorporated, where applicable, in the validation of the accounting systems of the Accounting Officer, along with the central ABAC and SAP Systems;
  - the monitoring of the budget execution level and of the overall level of carry-overs continues to be improved in order to keep the carry-overs in line with the budget execution objectives set for the operational activities;
  - the election of the Chair and the Vice-Chair of the Management Board is to be conducted in the audio streamed Open Session by secret ballot, as provided for in its Rules of Procedure, adopted in June 2013;

- periodical dialogue with the Authority's stakeholders is a regular practice; notes the actions taken towards transparency, such as public consultation on the transformation to an “Open EFSA” initiative or the EFSA specialist groups;
- in the areas of data management, business continuity and IT security, the recommendations of the external consultant are being implemented; calls on the Authority to inform the discharge authority of the further results regarding corrective actions implementation;
- the Authority has optimised its webpage in order to make it more user friendly and to facilitate consultation about important aspects of scientific work, such as scientific expertise, data collection, risk assessment methodologies, risk assessment opinions and how they may impact on Union citizens through quick access to scientific advice, journal outputs or latest news;

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

3. Notes that budget monitoring efforts during the financial year 2013 resulted in a budget implementation rate of 98,80 %, which represents a minor decrease in comparison to the previous year (99,30 %), and that the payment appropriations execution rate was high at 90,80 %; takes note from the Authority’s annual report (AAR) that under Title I (Staff) and Title II (Infrastructure) the budget was fully executed, while under Title III (Operations) the execution rate reached 96,99 %;
4. Ascertains from the AAR that the level of budget implementation stands at 1 % below the initial target and that as the global payment level stands 2 % below the initial target; acknowledges, however, that budget monitoring efforts during the financial year 2013 continue to contribute to the consistently high budget implementation rate;

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

5. Acknowledges from the AAR that the committed appropriations carried forward to 2014 amount to EUR 6 431 431, showing a decrease compared to the previous year; notes that the reduction is mostly related to the centralisation of expert payments leading to higher efficiency in payment processing, as well as the IT operational budget not having been increased by transfers from other areas at the end of 2013;
6. Notes that although the overall carry-overs have regularly decreased since 2008 from 23% to 11 % and that the payment rate increased from 73 % to 91 %, further improvements in the monitoring of the budget execution are needed in order to keep the level of carry-overs in line with the budget execution objectives set for the operational activities;

### ***Transfers***

7. Notes that the level of transfers remained within the limits of the financial rules, as the transfer made from Title I (Staff) to Title II (Infrastructure) amounted to EUR 418 965, representing 4,7 % of Title II; acknowledges that this transfer mainly resulted from the rejection by the Court of Justice of the Commission proposal related to the 2011 salary



indexation, which enabled the Authority to anticipate payments related to the building acquisition and to reduce interest payments;

***Procurement and recruitment procedures***

8. Notes from the Authority's annual accounts that 93,45 % of planned posts were occupied at the end of 2013; acknowledges a decrease in the occupation rate compared to 2012;

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

9. Notes from the Authority that following consultation with key partners in 2014, it has clarified and partially reviewed its implementing rules regarding the Policy on Independence concerning declarations of interests; regrets however, that the revised procedure for the screening of annual, special and oral declarations of interests of the members of the Authority's Scientific Committee, Scientific Panels and Working Groups is still under the authority of the Heads of Unit; notes, nevertheless, that that procedure introduced the criteria upon which the screening is based, as well as the role of the screening officer, who has to immediately report any possible conflict of interests to the respective reporting officer;
10. Strongly regrets that the main loopholes in the Authority's implementing rules have not been closed, despite that review; notes in particular the fact that the assessment of scientists' interests is performed in reference to the mandate of the panel at stake instead of the Authority's remit, whereas the latter is used as the scope for the declaration of those interests;
11. Urges the Authority to make concrete efforts to eliminate this possible arbitrary practice from its internal procedures in order to guarantee the Authority's impartiality with regard to the prevention and management of conflicts of interests and to eliminate any risks; expresses its deep disappointment about the common practice of the Authority to apply a double standards conflict of interest's policy towards experts from food safety organisations contrary to the policy applied to the other staff; in addition calls upon the Authority to adopt a revolving door policy until the end of September 2015;
12. Believes that financial interests in particular should be dealt with the utmost care and that experts should be asked to declare whether their activities were remunerated or not; believes that if this is the case, the amount should be specified; is of the opinion that the current practice of experts anonymising their interests, for instance by using the expression "private company", should not be accepted by the Authority;
13. Notes with concern the recent European Ombudsman's ruling concluding that the Authority "should revise its conflict of interest rules, and the related instructions and forms it uses for declarations of interests" to "ensure that those experts who work in academia declare all relevant information to" it; calls on the Authority to have scientists on its panels and working groups disclose the financial arrangements between the departments of the universities they work for and commercial companies when they are in the Authority's remit;

14. Acknowledges the clarification of the scope of conflicts of interests with new definitions regarding, inter alia, the obligation to declare even the smallest economic interest or the practice of allowing experts' interests to be anonymised only on an exceptional basis solely to ensure compliance with rules on data protection; regrets, however, that the definition of 'interest' (as laid down in point a) of Article 2, paragraph 2, of the Decision of the Executive Director of the Authority on Declarations of Interests) does not also include 'any relevant personal interest, be it of a financial or non-financial nature, a personal or family relationship, etc.', as laid down in the 2013 Commission guidelines on the prevention and management of conflicts of interest in EU decentralised agencies;
15. Notes with concern that the Authority's reviewed rules concerning declarations of interests explicitly exclude experts from food safety organisations designated by Member States which receive more than 50 % of their funding from private sources;
16. Notes from the Authority that a two-year cooling-off period is applied, following employment by the Agency, on a risk-based approach for experts being employed by the food industry but not for all other forms of collaboration with companies in the Authority's remit; reiterates its call that the Authority should apply a two-year cooling-off period to all material interests related to the commercial agri-food sector, including research funding, consultancy contracts and decision-making positions in industry-captured organisations; calls on the Authority to inform the discharge authority of the results of the ongoing impact assessment on the introduction of further cooling-off periods which will take place in the framework of the forthcoming policy review , as well as to include in its annual reports the measures taken to enforce the implemented cooling-off period; demands that this impact assessment uses as first indicator the Authority's independence from the economic sectors it regulates;
17. Deeply regrets that paragraph 2 of Article 1 of the Rules of Procedure of the Management Board still provide for a non-transparent election procedure when the Management Board elects its Chair and Vice-Chairs by close ballot, despite the recommendation made by the discharge authority in 2014; urges the Authority to change this rule, to make each vote transparent and accountable until the end of September 2015 and to refrain from any appointment under the current secret procedure;
18. Believes that the Authority should pay further attention to public opinion and to commit itself as much as possible to an open and transparent dialogue;
19. Congratulates the Authority for adopting the reproducibility of its scientific opinions as a policy objective within its Transparency Initiative; encourages it to deliver on these very important commitments, in particular providing full and proactive access to the dataset used for these scientific opinions;

### *Internal controls*

20. Acknowledges from the Court's report that most of the Internal Control Standards (ICS) were met according to the Authority's self-assessment carried out in 2012 and 2013; notes with concern that ICS 4 ("Staff appraisal and development") and ICS 11

(“Document management”) were not met at the time of the audit by the Court, and calls on the Authority to inform the discharge authority of the implementation of ICS 4 and ICS 11;

21. Notes with concern that the Authority’s annual work programme does not contain sufficient details on planned procurements and grants to support financing decision in the sense of Article 64 of its Financial Regulation's Implementing Rules; calls on the Authority to remedy this deficiency, as including such details would allow a more effective monitoring of procurements and grants;

#### ***Internal audit***

22. Notes that the Commission’s Internal Audit Service (IAS) carried out a full risk assessment in 2013, which resulted in the Strategic Internal Audit plan of the Authority, which lists the proposed audit topics for 2014-2016, and followed up the implementation of its earlier recommendations;
23. Regrets that in the course of that risk assessment, certain processes of high inherent risks were identified by the IAS, with assessed controls qualified as absent or insufficient; acknowledges that the Authority prepared an action plan aimed at addressing those deficiencies which will be followed up by the IAS during the next in-depth risk assessment; calls on the Authority to inform the discharge authority about the implementation of any corrective actions taken;
24. Regrets that the implementation of five earlier IAS recommendations marked as ‘Very Important’ was delayed with respect to the deadlines defined by the Authority in its original action plans; finds it particularly unacceptable that the implementation of recommendations on information security management is delayed for over 36 months, resulting in the possibility of accessing confidential information in an unauthorised manner or releasing information without prior approval; calls on the Authority to inform the discharge authority of the reasons behind the delay and to implement corrective actions as a matter of urgency;

#### ***Other comments***

25. Notes with concern that the Authority uses a group of transport services for travel to and from the airport, which cost EUR 918 668 in 2013; urges the Authority to find a less costly alternative for this purpose;
26. Welcomes the exemplary measures taken by the Authority with regard to cost-effective and environment-friendly solutions for its premises; encourages the Authority to continue this good practice;
27. Calls on the Authority to make clear in its future internal and external communication that it receives funds made available from the Union budget (Union subsidy) instead of a Commission subsidy;

28. Is especially aware of the public interest in the decision-making process within the Authority, which is required to act in accordance with its legal role and responsibilities; notes that in 2013 the Authority dedicated 74 % of its human resources to scientific activities, evaluation and data collection, and that this represents a slight increase compared to the situation in 2012; encourages the Authority to make further progress in this direction;

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29. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of ... 2015<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, P7\_TA-PROV(2015)0000.

03.02.2015

## **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 2013  
(2014/2108(DEC))

Rapporteur: Giovanni La Via

### **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. Notes that in 2013 an amount of EUR 78 840 704 has been made available to the European Food Safety Authority ("the Authority") through the general budget of the Union; stresses that this amount represents 0,052 % of the overall Union budget;
2. Calls on the Authority to make clear in its future internal and external communication that it receives funds made available from the Union budget (Union subsidy) instead of a Commission or Community subsidy;
3. Takes note that 328 posts out of 351 had been filled by the end of 2013; acknowledges a decrease in the occupation rate compared to 2012;
4. Is especially aware of the public interest in the decision-making process within the Authority, which is done within its legal role and responsibilities; notes that the Authority is dedicating 74 % of its human resources to scientific activities, evaluation and data collection and that this represent a slight increase compared to the situation in 2012; encourages the Authority to make further progress in this direction;
5. Takes note of the two comments made by the Court of Auditors which focus on the internal control system and on the need to include sufficient details on planned procurements and grants in the Authority's annual work programmes in order to allow more effective monitoring of procurements and grants; strongly urges the Authority to take corrective measures accordingly;

6. Welcomes the Authority's efforts to implement corrective actions following the previous comments by the Court of Auditors, in particular the implementation, as of 2012, of the Authority's comprehensive self-assessment of its internal control system, a process which is still on-going;
7. Encourages the Authority to continue to pay special attention to the public opinion and to commit itself to guaranteeing even greater openness and transparency; welcomes, in this respect, the implementing rules for its Policy on Independence and Scientific Decision-Making Processes as adopted by the Authority's Management Board in December 2011; welcomes in this context the set of internal mechanisms and improved presentation and accessibility of information and documents on the Authority's homepage; invites the Authority to further strengthen its policy on the management and prevention of conflicts of interests in order to safeguard independence and transparency in all work areas of the Authority covering both external and interim staff;
8. Welcomes that the Court of Auditors considers the transactions underlying the annual accounts of the Authority for the financial year 2013 as legal and regular in all material respects;
9. Recommends, on the facts available, that discharge be granted to the Executive Director of the European Food Safety Authority in respect of the implementation of the Authority's budget for the financial year 2013.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	29.1.2015
<b>Result of final vote</b>	+: 62 -: 1 0: 2
<b>Members present for the final vote</b>	Marco Affronte, Margrete Auken, Pilar Ayuso, Zoltán Balczó, Catherine Bearder, Ivo Belet, Simona Bonafè, Biljana Borzan, Nessa Childers, Alberto Cirio, Birgit Collin-Langen, Mireille D'Ornano, Miriam Dalli, Seb Dance, Angélique Delahaye, Jørn Dohrmann, Stefan Eck, Bas Eickhout, José Inácio Faria, Francesc Gambús, Elisabetta Gardini, Enrico Gasbarra, Jens Gieseke, Julie Girling, Sylvie Goddyn, Matthias Groote, Françoise Grossetête, Andrzej Grzyb, Jytte Guteland, Anneli Jäätteenmäki, Benedek Jávor, Josu Juaristi Abaunz, Karin Kadenbach, Kate ina Kone ná, Giovanni La Via, Peter Liese, Norbert Lins, Valentinas Mazuronis, Susanne Melior, Massimo Paolucci, Gilles Pargneaux, Piernicola Pedicini, Bolesław G. Piecha, Pavel Poc, Marcus Pretzell, Frédérique Ries, Davor Škrlec, Renate Sommer, Tibor Szanyi, Nils Torvalds, Glenis Willmott, Jadwiga Wi niewska
<b>Substitutes present for the final vote</b>	Nicola Caputo, Mark Demesmaecker, Herbert Dorfmann, Jan Huitema, Peter Jahr, Merja Kyllönen, Nuno Melo, Marijana Petir, Julia Reid, Bart Staes, Kay Swinburne
<b>Substitutes under Rule 200(2) present for the final vote</b>	Clara Eugenia Aguilera García, Damian Dr ghici

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	23.3.2015
<b>Result of final vote</b>	+: 21 -: 6 0: 0
<b>Members present for the final vote</b>	Inés Ayala Sender, Ryszard Czarnecki, Dennis de Jong, Tamás Deutsch, Martina Dlabajová, Ingeborg Gräßle, Bernd Kölmel, Bogusław Liberadzki, Verónica Lope Fontagné, Monica Macovei, Georgi Pirinski, Petri Sarvamaa, Claudia Schmidt, Bart Staes, Michael Theurer, Marco Valli, Derek Vaughan, Anders Primdahl Vistisen, Joachim Zeller
<b>Substitutes present for the final vote</b>	Caterina Chinnici, Iris Hoffmann, Monika Hohlmeier, Benedek Jávor, Andrey Novakov, Julia Pitera, Miroslav Poche
<b>Substitutes under Rule 200(2) present for the final vote</b>	Laura Ferrara