



**2015/2176(DEC)**

1.2.2016

# DRAFT REPORT

on discharge in respect of the implementation of the budget of the European  
Food Safety Authority for the financial year 2014  
(2015/2176(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 Food Safety Authority for the financial year 2014 (2015/2176(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2014, together with the Authority'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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of xx February 2016 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2014 (xxxxx/2016 – C8-xxxx/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 1605/2002<sup>3</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 the European Food Safety Authority and laying down procedures in matters of food safety<sup>4</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 Regulation applicable to the general budget of the European Communities<sup>5</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>6</sup>, and in particular Article 108 thereof,

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<sup>1</sup> OJ C 409, 9.12.2015, p. 160.

<sup>2</sup> OJ C 409, 9.12.2015, p. 160.

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

<sup>4</sup> OJ L 31, 1.2.2002, p. 1.

<sup>5</sup> OJ L 357, 31.12.2002, p. 72.

<sup>6</sup> 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 the Environment, Public Health and Food Safety (A8-0000/2016),
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 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 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 2014  
(2015/2176(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2014, together with the Authority'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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of xx February 2016 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2014 (xxxxx/2016 – C8-xxxx/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 1605/2002<sup>3</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 the European Food Safety Authority and laying down procedures in matters of food safety<sup>4</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 Regulation applicable to the general budget of the European Communities<sup>5</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>6</sup>,

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<sup>1</sup> OJ C 409, 9.12.2015, p. 160.

<sup>2</sup> OJ C 409, 9.12.2015, p. 160.

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

<sup>4</sup> OJ L 31, 1.2.2002, p. 1.

<sup>5</sup> OJ L 357, 31.12.2002, p. 72.

<sup>6</sup> OJ L 328, 7.12.2013, p. 42.

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 (A8-0000/2016),
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 2014;
  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).

### **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 2014  
(2015/2176(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 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 the Environment, Public Health and Food Safety (A8-0000/2016),
- A. whereas, according to the financial statements of the European Food Safety Authority (“the Authority”), its final budget for the financial year 2014 was EUR 79 701 222, representing an increase of 2,11 % compared to 2013; whereas the entire budget of the Authority derives from the Union budget;
- B. whereas the Court of Auditors (“the Court”), in its report on the annual accounts of the Authority for the financial year 2014 (“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;

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

1. Notes that the budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 99,69 %, representing an increase of 0,86 % compared with 2013; notes, furthermore, that the payment appropriations execution rate was at 89,31 %, representing a decrease of 1,48 % compared with 2013;

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

2. Notes that at the end of 2014, 449 posts were occupied out of the available 474, which includes officials, temporary agents and contract agents as well as seconded national experts; notes that the yearly average post occupancy rate for the 2014 establishment plan 2014 (temporary agents and officials) is at 95,1 %, while that for contract agents is at 92,4 %;
3. Notes that the Authority put in place a project to improve efficiency and compliance in transactional processing through a centralised strategy, the introduction of planning, monitoring and reporting processes and structure, as well as through centralised finance and procurement processes and structure; notes with satisfaction that this project will allow the Authority to deliver its mandate more efficiently, reducing the time needed to produce outputs and the number of people involved, resulting in a reduction of 14 full-time staff equivalents in 2015;

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

4. Acknowledges that the Authority launched a project to modify the way it screens and processes the annual declarations of interest in order to ensure better coherence and overall compliance with its rules on declarations of interest; notes, furthermore, that this new system, scheduled to be completed in the course of 2016, foresees centralised screening of the annual declarations of interest and transfer of responsibility from the Authority's scientific departments to its legal and regulatory department;
5. Ascertains that, in order to attain both working with the top academics in the industry and having the most effective conflicts of interest policy possible, the Authority uses a system to assess the experts' interests, which takes into account the role of the experts and the mandate of the scientific working group or panel of which the expert would be a member against a number of different criteria; notes, furthermore, that in 2016 the Authority will undertake an examination of the systems it has in place to detect conflicts of interest as part of the regular cycle of review of its independence policy; asks the Authority to inform the discharge authority about the outcomes of the review;
6. Notes that, in order to improve its independence and conflicts of interest policy concerning expert groups, the Authority performed in 2014 an ex-post analysis of its rules on declarations of interests; notes that this analysis led to a review and the adoption of a new, simpler and more sophisticated version of these rules;
7. Takes note that a pilot project was developed in 2015 aimed at exploring the best way to implement the recommendation of the discharge authority to centralise the validation process of the declarations of interest; observes that this pilot project was successfully concluded in the same year and that full centralisation was expected to be implemented by the end of first semester of 2016; calls on the Authority to inform the discharge authority on the successful implementation of this centralisation;
8. Observes that during 2014 the Authority received a number of contributions on independence-related issues from stakeholders and non-governmental organisations; notes, furthermore, that these contributed to the review of implementing rules for the independence policy;
9. Takes note that the Authority's staff are legally bound to comply with the Staff Regulations<sup>1</sup> regarding future employment; notes, in addition, that the assessment of staff's future employment occurs on a systematic basis, and that the Authority's Executive Director may exercise his right to set conditions related to that employment or restrict it in case the employment is considered to be a potential conflict of interests; points out that in 2013, of the 29 statutory staff members that left the employment at the Authority, three went to the chemical/pharmaceutical sector with a range of restrictions put in place for these individuals; acknowledges that the Authority considers that a clear legal and governance framework on revolving doors is already in place;
10. Acknowledges that the Authority carried out an internal exercise to assess the impact of

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<sup>1</sup> Regulation (EU, Euratom) No 1023/2013 of the European Parliament and of the Council of 22 October 2013 amending the Staff Regulations of Officials of the European Union and the Conditions of Employment of Other Servants of the European Union (OJ L 287, 29.10.2013, p. 15).



removing the possibility for experts to anonymise certain interests in their declarations of interest; notes from the Authority that the practice of anonymising interests has been used on very few occasions in the past; notes furthermore that for the latest renewal of panel members in 2015, no scientific experts chose to anonymise their interests; notes with satisfaction that the Authority no longer accepts anonymised interests and has withdrawn this option for experts when completing their declaration of interests;

### ***Internal audit***

11. Notes that six recommendations issued by the Commission's Internal Audit Service (IAS) and marked as "Very important" were open at the beginning of 2014; acknowledges that four of the very important recommendations were reported as implemented by the Authority and are currently awaiting a follow-up by the IAS; observes that the remaining two were closed by IAS following the introduction of the new Staff Regulations in the financial year 2014; looks forward to the next IAS' review on the status of implemented recommendations;
12. Acknowledges that the Authority carried out a simulation to assess the impact of applying a two-year cooling-off period for certain interests of experts working in the Authority's panels; notes with satisfaction that the Authority is to introduce two-year cooling-off periods in relation to the abovementioned interests in time for the next panel renewal; takes note that with regard to cooling-off periods for research funding, the Authority already has a system in place that limits private sourcing of research funding to a maximum of 25% of the total research budget under control of an Authority's expert;

### ***Internal controls***

13. Acknowledges that the review of the Authority's Internal Control Standards carried out in 2014 concluded that its internal control system is compliant with those standards; notes, however, that there are areas where improvements could be achieved to enhance the quality of the internal control system, in particular regarding the staff evaluation and development, operational structure and evaluation of activities; calls on the Authority to provide the discharge authority with a report on the actions planned to tackle this issue and the progress made in this regard;
14. Ascertains that the Authority's Internal Audit Capability (IAC) considers that the internal control system in place provides reasonable assurance regarding the achievement of the business objectives set up for the processes audited, except for the monitoring of user access rights granted in the ABAC accounting system and the formal nomination of financial actors; calls on the Authority to inform the discharge authority on the advancements made in this regard;
15. Notes that the IAC followed up on all outstanding corrective actions in the areas of data management, business continuity and IT security; notes in particular that actions concerning data management and IT security have been fully implemented; takes note that, regarding business continuity, the majority of actions have been implemented and the remaining actions are planned to be implemented by the end of 2016;

### ***Other comments***

16. Notes from the Court's report that, following the amendment of the Staff Regulations in 2004 by Council Regulation (EC, Euratom) No 723/2004, 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 this was not complied with and, in the case of eight out of the 71 officials employed at the time, this led to an underpayment of EUR 87 000 for the period of years 2005-2014; notes that the Authority will undertake the necessary actions to remedy this issue in due course;
17. Notes with satisfaction that the Authority has developed a number of measures to support openness and transparency goals as well as dialogue with stakeholders, including representatives of civil society; takes note that the Authority launched new initiatives to further engage society in the Authority's risk assessment process such as plenary meetings in Brussels with a dedicated session to interact with observers and stakeholders, public consultations of scoping papers of guidance documents, public consultations on draft opinions followed by dedicated stakeholder meetings and presence on social media;
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- 18 Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of [xx xxxx 2016]<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)(2016)0000].