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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 2014
(2015/2169(DEC))

Committee on Budgetary Control

Rapporteur: Derek Vaughan

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 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 xx February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (xxxxxx/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 1605/2002³, 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 (A8-0000/2016),
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 xx February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (xxxxxx/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 1605/2002³, 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 (A8-0000/2016),
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 (A8-0000/2016),
- 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 annual accounts of the European Agency for Safety and Health at Work for financial year 2014 (“the Court’s report”), stated that it had obtained reasonable assurances that the Agency’s annual accounts for the financial year 2014 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. 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;

Internal controls

9. Takes note 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

10. 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

11. 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

¹ Council Regulation (EC, Euratom) No 723/2004 of 22 March 2004 amending the Staff Regulations of officials

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 2005-2014; notes that the Agency undertook necessary actions to remedy that issue;

12. 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;

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13. 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.

of the European Communities and the Conditions of Employment of other servants of the European Communities (OJ L 124, 27.04.2004, p. 1)

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