

Discharge 2005: European Agency for Safety and Health at Work

1. European Parliament decision of 24 April 2007 on the discharge for the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2005 (C6-0392/2006 – 2006/2159(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 2005¹,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2005, together with the Agency's replies²,
 - having regard to the Council's recommendation of 27 February 2007 (5711/2007 - C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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, and in particular Article 185 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 1605/2002⁵, and in particular Article 94 thereof,
 - having regard to Rule 71 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 (A6-0105/2007),
1. Grants the director of the European Agency for Safety and Health at Work discharge for the implementation of the Agency's budget for the financial year 2005;

¹ OJ C 266, 31.10.2006, p. 19.

² OJ C 312, 19.12.2006, p. 24.

³ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁴ OJ L 216, 20.8.1994, p.1. Regulation as last amended by Regulation (EC) No 1112/2005 (OJ L 184, 15.7.2005, p. 5).

⁵ OJ L 357, 31.12.2002, p. 72.

2. Sets out its observations in the resolution below;
3. Instructs its President to forward this decision and the resolution that forms 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. European Parliament decision of 24 April 2007 on closing the accounts of the European Agency for Safety and Health at Work for the financial year 2005 (C6-0392/2006 – 2006/2159(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 2005¹,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2005, together with the Agency's replies²,
 - having regard to the Council's recommendation of 27 February 2007 (5711/2007 - C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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, and in particular Article 185 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 1605/2002⁵, and in particular Article 94 thereof,
 - having regard to Rule 71 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 (A6-0105/2007),
1. Notes that the final annual accounts of the European Agency for Safety and Health at Work for the financial years 2004 and 2005 are as follows:

¹ OJ C 266, 31.10.2006, p. 19.

² OJ C 312, 19.12.2006, p. 24.

³ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁴ OJ L 216, 20.8.1994, p.1. Regulation as last amended by Regulation (EC) No 1112/2005 (OJ L 184, 15.7.2005, p. 5).

⁵ OJ L 357, 31.12.2002, p. 72.

Revenue and expenditure account for the financial years 2004 and 2005 (in EUR 1000)

	2005	2004
Revenue		
Community subsidies	12 209	9 542
Other subsidies	150	66
Other revenue	66	111
PHARE revenue	340	121
Total revenue (a)	12 765	9 840
Expenditure		
Staff - Title I of the budget		
- Payments	3 435	3 379
- Appropriations carried over	75	60
Administration - Title II of the budget		
- Payments	1 052	966
- Appropriations carried over	331	248
Operating activities - Title III of the budget		
- Payments ⁽¹⁾	4 589	2 426
- Appropriations carried over	2 213	2 549
PHARE expenditure		
- Payments	133	0
- Appropriations carried over	206	0
Total expenditure (b)	12 035	9 628
Outturn for the financial year (c = a-b)⁽²⁾	730	212
Appropriations carried over and cancelled	404	887
Sums to be reused from the previous financial year and not used	0	0
RO (PHARE II) appropriations not used	0	144
Payments against commitment cancelled in 2002	0	0
Exchange-rate differences	0	0
PHARE amount to be refunded to the Commission	0	-39
Adjustment entries	24	3
Outturn for the financial year before economic adjustments (d)	1 158	1 208
Balance carried over from the previous financial year	-779	-1 987
Accumulated outturn before economic adjustments (e)	379	-779
Budget revenue to be recovered		0
Other revenue to be recovered		0
Acquisitions of fixed assets	171	57
Depreciation	-161	-174
Stock	0	-6
Scrapping of fixed assets	0	-91
Depreciation	0	88

Miscellaneous expenditure		-34
Cumulated 2005 budgetary outturn to reimburse to the EC	-379	
PHARE III - Prefinancing received	-206	
Prefinancing given	-314	
Long term receivables	4	
Adjustment of budgetary expenses	1 990	
Adjustment of incomes	-806	
Reversal of accrual operations	1 585	
Amounts paid carry over 2004-2005	-2.453	
Economic adjustments (f)	-571	-161
Balance for the financial year (e+f)	587	-940

Source: The Agency's data - This table summarises the data provided by the Agency in its annual accounts.

2. Approves closing the accounts of the European Agency for Safety and Health at Work for the financial year 2005;
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. European Parliament resolution of 24 April 2007 with observations forming an integral part of the decision on the discharge for the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2005 (C6-0392/2006 – 2006/2159(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 2005¹,
 - 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 2005, together with the Agency's replies²,
 - having regard to the Council's recommendation of 27 February 2007 (5711/2007 - C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - 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, and in particular Article 185 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 1605/2002⁵, and in particular Article 94 thereof,
 - having regard to Rule 71 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 (A6-0105/2007),
- A. whereas the Court of Auditors stated that it obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2005 were reliable and that the underlying transactions, taken as a whole, were legal and regular,

¹ OJ C 266, 31.10.2006, p. 19.

² OJ C 312, 19.12.2006, p. 24.

³ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁴ OJ L 216, 20.8.1994, p.1. Regulation as last amended by Regulation (EC) No 1112/2005 (OJ L 184, 15.7.2005, p. 5..

⁵ OJ L 357, 31.12.2002, p. 72.

- B. whereas on 27 April 2006 Parliament gave discharge to the director in respect of the implementation of the Agency's budget for the 2004 financial year¹ and in the resolution accompanying the discharge decision Parliament, *inter alia*,
- welcomed the reduction in carry-overs achieved;
 - urged the Agency to put in place detailed rules for the implementation of its new financial regulation and internal control procedures based on risk analysis as soon as possible;
 - insisted that the Agency respects the rules concerning the duration of framework contracts;
 - expected the Agency, in future, to include negative balances at year and in amending budgets for the following financial year;

General points concerning the majority of EU Agencies requiring individual discharge

1. Considers that the ever-growing number of Community Agencies and the activities of certain of them do not seem to form part of an overall policy framework, and that the remits of some Agencies do not always reflect the real needs of the Union or the expectations of its citizens, and notes that in general terms the Agencies do not always have a good image or a good press;
2. Invites the Commission therefore to define an overall policy framework for the setting up of new Community Agencies and to present a cost-benefit study before the setting up of any new agency, while being careful to avoid any overlap of activities between Agencies or with the remits of other European organisations;
3. Calls on the Court of Auditors to give its opinion on the cost-benefit study before Parliament takes its decision;
4. Invites the Commission to present every five years a study on the added value of every existing Agency; invites all relevant institutions in the case of a negative evaluation of the added value of an Agency to take the necessary steps by reformulating the mandate of that Agency or by closing it;
5. Considers it regrettable, given the growing number of regulatory agencies, that the negotiations on the draft interinstitutional agreement on the operating framework for the European regulatory agencies have not yet been concluded, and calls on the relevant departments of the Commission, in consultation with the Court of Auditors, to do their utmost to ensure that the agreement is brought to a rapid conclusion;
6. Notes that the Commission's budgetary responsibility calls for closer linking of the Agencies to the Commission; calls on the Commission and the Council to take all necessary steps to give the Commission a blocking minority in the supervisory bodies of the regulatory Agencies by 31 December 2007 and to provide for such a minority from the outset when new Agencies are set up;

¹ OJ L 340, 6.12.2006, p. 96.

7. Invites the Court of Auditors to create an additional chapter in its Annual Report, devoted to all Agencies to be discharged under the Commission's accounts in order to have a much clearer picture of the use of EU funds by Agencies;
8. Recalls the principle according to which all Community Agencies, whether subsidised or not, are subject to discharge by the Parliament, even where a discharge authority exists by virtue of their constitutive texts;
9. Calls on the Court of Auditors to perform performance audits for all Agencies and to report back to the relevant committees of Parliament, including the Committee on Budgetary Control;
10. Notes that the number of Agencies is constantly increasing and that, in accordance with the Commission's political responsibility for the operation of the Agencies, which goes far beyond mere logistical support, there is an even higher need for the Directorates-General of the Commission charged with the setting up and monitoring of Agencies to develop a common approach to the Agencies; considers that a structure similar to the one created by the Agencies for coordination among the DGs concerned would be a pragmatic way forward towards a common approach by the Commission on all matters relating to the Agencies;
11. Invites the Commission to improve administrative and technical support to the Agencies, taking into account the growing complexity of the Community's administrative rules and technical problems;
12. Notes the lack of a disciplinary body in any of the Community Agencies, and calls on the Commission to take the necessary steps to ensure that such a mechanism is rapidly put in place;
13. Welcomes the considerable improvements in the coordination among the Agencies, which allows them to tackle recurring problems and makes cooperation with the Commission and Parliament more efficient;
14. Takes the view that the establishment by a number of Agencies of a shared support service aimed at making their computerised financial management systems consistent with those of the Commission is a measure that should be taken further and extended;
15. Calls upon the Agencies to improve their cooperation and benchmarking with actors in the field; urges the Commission to adopt any measures it considers necessary to help the Agencies enhance their image and raise the profile of their activities;
16. Calls upon the Commission to come up with a proposal to harmonise the format of the annual reporting by the Agencies and to develop performance indicators which would allow a comparison of their efficiency;
17. Invites the Agencies to present at the beginning of every year performance indicators against which they could be measured;
18. Invites all Agencies to increasingly use SMART objectives which should lead to more

realistic planning and implementation of goals;

19. Agrees with the Court of Auditors that the Commission also bears responsibility for the (financial) management of the Agencies; therefore, urges the Commission to monitor and where necessary direct and help the management of the different Agencies, especially in relation to the proper application of tender procedures, transparency of recruitment procedures, sound financial management (underspending and overbudgeting) and most importantly the proper application of the rules concerning the internal control framework;
20. Considers that the Agencies' work programmes should express their contributions in operational and measurable terms and that due consideration should be given to the Commission's Internal Control Standards;

Specific points

21. Notes that the commitment rate for appropriations entered in the budget for the financial year 2005 was over 90 % and that the carry-over rate remained high for operating expenditure (Title III), at 30 %, whereas the cancellation rate for appropriations carried over was close to 15 %; invites the Agency to improve its programming and adhere to it more strictly; notes that the management of the budget shows a high number of transfers of appropriations between budget lines and considers that the supporting documentation for these transfers is inadequate; invites the Agency to guarantee that the rules and limits applicable to transfers are observed;
22. Considers the Agency to be a source of important information for all EU institutions, for political decision-making, for the business world and for the general public;
23. Notes that the implementation of the internal control system was not yet complete in 2005 and that the Governing Board had not adopted any internal control standards; deplores the fact that there is no risk analysis and no checklists to meet the needs of authorising officers and staff who perform operational checks; invites the Agency to tackle these issues in the interests of transparency and efficiency;
24. Notes that the general implementing provisions concerning the recruitment of staff to the Agency do not specify the criteria and formalities to be observed at the various stages of the selection of candidates; insists that decisions taken in this regard must be rigorously documented in order to ensure the transparency and impartiality of decisions made;
25. Considers it regrettable that in public procurement procedures often no supporting evidence was given for the tender evaluation committee's assessments of the quality of the bids; considers it regrettable further that the evaluation reports were signed only by the authorising officer responsible and not by all the members of the tender evaluation committee; invites the Agency to put even more effort into the correct documentation of procurement procedures;
26. Welcomes the fact that the Agency has improved its methods of communication and that greater use is being made of its specialist know-how by small and medium-sized enterprises in particular.