

12 October 2017

ECHA's report on the follow-up to the 2015 budgetary discharge

Article 110 of the European Chemicals Agency's (ECHA's) Financial Regulation foresees that

- (1) *the Executive Director shall take all appropriate steps to act on the observations accompanying the European Parliament's discharge decision and on the comments accompanying the recommendation for discharge adopted by the Council; and that*
- (2) *at the request of the European Parliament or the Council, the Executive Director shall report on the measures taken in the light of those observations and comments. The Executive Director shall send a copy thereof to the Commission and the Court of Auditors.*

For the discharge 2017, the Secretariat of the European Parliament Committee on Budgetary Control asked all EU Decentralised Agencies for a follow-up report to the 2015 budgetary discharge to be submitted by 16 October 2017.

The report presented in the Annex to this document provides an overview of the relevant observations and recommendations from the European Parliament Resolution of 27 April 2017¹ on discharge in respect of the implementation of the budget of ECHA for the financial year 2015, together with the measures ECHA has taken in light of these. For completeness, replies to the comment accompanying the Council's Recommendation² of 21 February 2017 on the discharge of the Agency for the financial year 2015 are included as well.

ECHA can report that the actions resulting from the previous discharge procedure, for the year 2014, are implemented. The Agency included in particular a dedicated chapter on transparency, accountability and integrity in its annual activity report and continues to exercise budgetary prudence when forecasting expected revenues from fees.

On 27 April 2017 the European Parliament adopted also the resolution: "Report on 2015 Discharge: performance, financial management and control of the EU agencies - Discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2014: performance, financial management and control (2016/2206(DEC))". This resolution is a horizontal report containing recommendations and observations that accompanied the individual 2015 discharge reports for each of the Agencies and Joint Undertakings. The follow-up actions to these recommendations where a collective response was identified by the Agencies Network will be presented in a separate paper being prepared by the Agency holding the Chairmanship of the EU Agencies' Network. ECHA has duly contributed to this report.

¹ <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P8-TA-2017-0165+0+DOC+XML+V0//EN>

² ST-5873-2017-ADD-1 <http://data.consilium.europa.eu/doc/document/ST-5873-2017-ADD-1/en/pdf>

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Annex

| | Observation of the Discharge Authority | Response and measures taken by the Agency | Status/Reference |
|----|---|---|-------------------------|
| 1. | 24. Recommends that the Agency develop impact indicators; believes that such impact indicators are essential tools in order to measure the effectiveness of the Agency. | ECHA works on improving the impact measurement as part of the work on the multi-annual section of its programming document 2019-21. Overall ECHA is introducing an increasing number of indicators in order to better measure its performance and impact. In parallel, the Network of EU Agencies is jointly developing an EU Decentralised Agencies Performance Framework. In line with the Financial Regulation, ECHA also uses ex-post evaluations as an instrument to review impact of specific activities. | ONGOING |
| 2. | The Council notes with concern the Court's observation that the Agency had not fully complied with the Staff Regulations' provisions as regards the information to be provided to the budgetary authority on measures of a social nature and invites the Agency to take corrective action. | ECHA has taken corrective action and communicated this measure of a social nature to the budgetary authority in its Programming Document 2018-2020 and in ECHA's Financial Statement 2018. In addition, ECHA has updated the remarks on the relevant budget line in its first amending budget for 2016. | DONE |
| 3. | While acknowledging the multiannual nature of the Agency's IT-related projects, the Council notes that a high level of commitment appropriations was carried over to 2016. It encourages the Agency to continue improving its financial programming and monitoring of the budget implementation, in order to reduce the level of commitments carried over to the following financial year to the minimum strictly necessary, in line with the budgetary principle of annuality. | ECHA agrees and will continue to pay attention to avoid unnecessary carry overs. | ONGOING |