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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 2012
(C7-0291/2013 – 2013/2213(DEC))

Committee on Budgetary Control

Rapporteur: Petri Sarvamaa

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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 2012
(C7-0291/2013 – 2013/2213(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 2012,
- 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 2012, together with the Agency's replies¹,
- having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),
- 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 Communities², and in particular Article 185 thereof,
- 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,
- having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

¹ OJ C 365, 13.12.2013, p. 275.

² OJ L 248, 16.9.2002, p. 1.

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 the report of the Committee on Budgetary Control and the opinion of the Committee on Committee on Employment and Social Affairs (A7-0193/2014),
- 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 2012;
- 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. 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 2012

(C7-0291/2013 – 2013/2213(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 2012,
- 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 2012, together with the Agency's replies¹,
- having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7 0054/2014),
- 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 Communities², and in particular Article 185 thereof,
- 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,
- having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

¹ OJ C 365, 13.12.2013, p. 275.

² OJ L 248, 16.9.2002, p. 1.

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 the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0193/2014),
- 1. Approves the closure of the accounts of the European Agency for Safety and Health at Work for the financial year 2012;
- 2. 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 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 2012

(C7-0291/2013 – 2013/2213(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 2012,
- 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 2012, together with the Agency's replies¹,
- having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7 0054/2014),
- 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 Communities² ("the Financial Regulation"), and in particular Article 185 thereof,
- 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 365, 13.12.2013, p. 275.

² OJ L 248, 16.9.2002, p.1.

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 its previous discharge decisions and resolutions,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0193/2014),
- A. whereas according to its financial statements, the budget of the European Agency for Safety and Health at Work (“the Agency”) for the financial year 2012 was EUR 15 260 512, representing an increase of 6,95 % compared to 2011,
- B. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Agency’s annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,
1. Welcomes the continued contribution of the Agency in the promotion of high standards of safety and health at work in the Union; points out the Agency’s important key activities in 2012, such as the Foresight project linked to risks associated with green jobs and the launch of the Healthy Workplaces Campaign; looks forward to the Agency's new multiannual strategic programme, which is closely linked to the objectives of the Europe 2020 strategy and will support the much needed and expected Union strategy on safety and health at work 2013-2020;

Follow-up of the 2011 discharge

2. Notes from the Court of Auditors’ report that the status of two out of four corrective actions taken in response to the previous year's comments are 'completed', whereas two corrective actions are marked as 'ongoing';
3. Acknowledges from the Agency that:
- it has reported a reduction in the cancellation rate for 2012 to 5,7 %, compared to 8 % for 2011; notes, moreover, that an ABB model will be implemented as from 2014 in order to further improve the Agency's overall internal planning and monitoring of its annual management plan, thus ensuring better budget implementation,
 - whereas the Agency’s Financial Regulation and the corresponding implementing rules provide for a physical inventory at least once every three years, the inventory was completed in 2012,
 - the Agency has accepted the draft seat agreement with the host state in order to avoid further delay in the completion of negotiations;

Budget and financial management

4. Notes that budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 94,64 % and that the payment appropriations execution rate was 73,43 %;

Commitments and carryovers

5. Notes with concern that EUR 3 200 000 (22 % of the budget) have been carried over to 2013 and that the level of committed appropriations carried over is high for both Title II at 36 % and Title III at 33 %; acknowledges that for Title II, this was mainly caused by the renewal of annual IT contracts concluded as planned in the fourth quarter of 2012; acknowledges that for Title III, the high level was a result of both the multiannual nature of major projects and of delays in the awarding of specific contracts;
6. Notes that the cancellation rate for Title I appropriations for the year 2012 was 9,5 %; acknowledges that the cancellation rate was mainly the result of frozen recruitment procedures and an anticipated salary increase which had not yet been paid out;

Transfers

7. Notes with satisfaction that according to the annual activity report as well as the Court of Auditors' audit findings, the level and nature of transfers in 2012 have remained within the limits of the financial rules; commends the Agency for its good budgetary planning;

Procurement and recruitment procedures

8. Notes that for the year 2012, neither sampled transactions nor other audit findings have led to any comments on the Agency's procurement procedures in the Court of Auditor's annual audit report;
9. Notes that the Court of Auditors made no comments in its annual audit report for 2012 as regards the Agency's recruitment procedures;

Prevention and management of conflicts of interests and transparency

10. Acknowledges that the Agency will adopt a conflict of interest policy in 2014 based on the Commission's Guidelines on the Prevention and Management of Conflict of Interest in EU Decentralised Agencies; calls on the Agency to inform the discharge authority upon the adoption of that policy;
11. Observes that the CVs and declarations of interests of the members of the Management Board, the Executive Director and senior management are not publicly available; calls on the Agency to remedy the situation as a matter of urgency;

Internal audit

12. Acknowledges from the Agency that in 2012 the Commission's Internal Audit Service (IAS) carried out an in-depth risk assessment and submitted its final strategic audit plan for 2013-2015, which was endorsed by the Agency's Director and its Management Board; notes that the IAS also carried out an audit on contract management and procurement, which led to seven recommendations (no critical recommendations, two very important), the implementation of which is on track; notes that the IAS also followed up its earlier recommendations and concluded that no critical recommendations were open and that the

implementation of two very important recommendations was on track;

Performance

13. Requests that the Agency communicate the results and impact its work has on European citizens in an accessible way, mainly through its website;

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14. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of ... 2014 on the performance, financial management and control of the agencies.

13.2.2014

OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS

for the Committee on Budgetary Control

on discharge in respect of the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2012
(2013/2213(DEC))

Rapporteur: Pervenche Berès

SUGGESTIONS

The Committee on Employment and Social Affairs calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Welcomes the continued contribution of the Agency to the promotion of high standards of health and safety at work in the EU and points out the Agency's important key activities in 2012, such as the Foresight project linked to risks associated with green jobs and the launch of the Healthy Workplaces Campaign; looks forward to the new multiannual strategic programme of the Agency closely linked to the objectives of the Europe 2020 strategy and supporting the much needed and expected European strategy on health and safety at work 2013-2020;
2. Expresses its satisfaction that the Court of Auditors has declared the transactions underlying the Agency's annual accounts for the financial year 2012 to be legal and regular;
3. Welcomes the positive developments in negotiations with the Spanish authorities on the premises of the Agency and that a seat agreement may be concluded in 2013;
4. Notes with regret the comments of the Court of Auditors concerning the level of the committed appropriations carried over to 2013; understands the carry-overs in cases of multiannual projects; calls however for measures to improve the organisation of procurement procedures in the future;
5. Notes the comments of the Court of Auditors concerning the high cancellation rate for title I (9.5%); points out however the year-on-year decrease in the rate of cancellations in

titles II and III, as well as the decreased overall cancellation rate compared to year 2011.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	13.2.2014
Result of final vote	<div><div>+: 33</div><div>—: 3</div><div>0: 0</div></div>
Members present for the final vote	Regina Bastos, Heinz K. Becker, Phil Bennion, Pervenche Berès, Philippe Boulland, Alejandro Cercas, Ole Christensen, Derek Roland Clark, Minodora Cliveti, Frédéric Daerden, Karima Delli, Sari Essayah, Richard Falbr, Nadja Hirsch, Stephen Hughes, Danuta Jazłowiecka, Jean Lambert, Patrick Le Hyaric, Verónica Lope Fontagné, Thomas Mann, Csaba Öry, Konstantinos Poupakis, Elisabeth Schroedter, Gabriele Stauner, Jutta Steinruck
Substitute(s) present for the final vote	Georges Bach, Philippe De Backer, Edite Estrela, Sergio Gutiérrez Prieto, Anthea McIntyre, Paul Murphy, Antigoni Papadopoulou, Gabriele Zimmer
Substitute(s) under Rule 187(2) present for the final vote	Timothy Kirkhope, George Lyon, Jarosław Leszek Wałęsa

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	17.3.2014
Result of final vote	+: 16 -: 3 0: 1
Members present for the final vote	Marta Andreasen, Jean-Pierre Audy, Zuzana Brzobohatá, Martin Ehrenhauser, Jens Geier, Gerben-Jan Gerbrandy, Ingeborg Gräßle, Rina Ronja Kari, Monica Luisa Macovei, Jan Mulder, Eva Ortiz Vilella, Paul Rübig, Petri Sarvamaa, Bart Staes, Georgios Stavrakakis, Derek Vaughan
Substitute(s) present for the final vote	Amelia Andersdotter, Philip Bradbourn, Markus Pieper
Substitute(s) under Rule 187(2) present for the final vote	Thomas Ulmer