













Procedure file

Basic information		
DEC - Discharge procedure	2015/2176(DEC)	Procedure completed
2014 discharge: European Food Safety Authority (EFSA)		
Subject 8.70.03.04 2014 discharge		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Budgetary Control	 VAUGHAN Derek	19/08/2015
		Shadow rapporteur	
		 DEUTSCH Tamás	
		 VISTISEN Anders	
		 ALI Nedzhmi	
		 JÁVOR Benedek	
		 VALLI Marco	
		 KAPPEL Barbara	
	Committee for opinion	Rapporteur for opinion	Appointed
	 Environment, Public Health and Food Safety	 LA VIA Giovanni	01/10/2015
European Commission	Commission DG Budget	Commissioner GEORGIEVA Kristalina	

Key events			
23/07/2015	Non-legislative basic document published	COM(2015)0377	Summary
05/10/2015	Committee referral announced in Parliament		
04/04/2016	Vote in committee		

07/04/2016	Committee report tabled for plenary	A8-0086/2016	Summary
27/04/2016	Debate in Parliament		
28/04/2016	Results of vote in Parliament		
28/04/2016	Decision by Parliament	T8-0172/2016	Summary
28/04/2016	End of procedure in Parliament		
14/09/2016	Final act published in Official Journal		

Technical information

Procedure reference	2015/2176(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/04191

Documentation gateway

Non-legislative basic document		COM(2015)0377	23/07/2015	EC	Summary
Court of Auditors: opinion, report		N8-0133/2015 OJ C 409 09.12.2015, p. 0160	08/09/2015	CofA	Summary
Committee opinion	ENVI	PE571.774	26/01/2016	EP	
Supplementary non-legislative basic document		05584/2016	27/01/2016	CSL	Summary
Committee draft report		PE569.750	01/02/2016	EP	
Amendments tabled in committee		PE576.943	04/03/2016	EP	
Committee report tabled for plenary, single reading		A8-0086/2016	07/04/2016	EP	Summary
Text adopted by Parliament, single reading		T8-0172/2016	28/04/2016	EP	Summary

Final act

Budget 2016/1522
[OJ L 246 14.09.2016, p. 0252](#) Summary

2014 discharge: European Food Safety Authority (EFSA)

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2014, as part of the 2014 discharge procedure.

Analysis of the accounts of the European Food Safety Authority (EFSA).

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2014 as prepared on the basis of the information presented by the institutions, organisations and bodies of the EU, in accordance with Article 148 (2) of the Financial Regulation applicable to the EU's General Budget, including the European Food Safety Authority (EFSA).

The document contains the figures on which the discharge procedure is based.

On this basis, the Financial Controller of the European Commission ensures the certification of the consolidated accounts as declared by the institutions, agencies and bodies of the European Union.

Discharge procedure of the EU agencies: the EU Budget finances a wide range of policies and programmes throughout the EU. In accordance with the priorities set by the European Parliament and the Council in the multi-annual financial framework (MFF), the European Commission

carries out specific programmes, activities and projects in the field with the technical support of some specialised agencies.

The consolidated annual accounts of the EU provide information on the activities of the institutions, agencies and other bodies of the EU from a budgetary and accrual accounting perspective.

The consolidated reports on the implementation of the general budget of the EU include the budget implementation of all Institutions. Agencies do not have a separate budget inside the EU budget; and they are partially financed by a Commission budget subsidy.

This document sets out how the Agencies spent and implemented their budget in 2014. Each agency is subject to its own discharge procedure.

EFSA: in 2014, the tasks and budget of this agency were as follows:

- description of EFSA's tasks: EFSA, which is located in Parma, was established by [Regulation \(EC\) No 178/2002 of the European Parliament and of the Council](#). Its main aim is to provide scientific opinions and scientific and technical support for the legislation and policies which have a direct or indirect impact on food and feed safety;
- EFSA's budget for the 2014 financial year: the Authority's budget for 2014, as presented in the Commission document on the consolidated annual accounts of the European Union, gives the following figures:

Commitment appropriations :

- committed : EUR 80 million;
- paid : EUR 80 million;
- carried-over : 0.

Payment appropriations :

- committed : EUR 87 million;
- paid : EUR 78 million;
- carried-over : EUR 8 million.

Please refer also to the [final accounts of the EFSA](#).

2014 discharge: European Food Safety Authority (EFSA)

PURPOSE: presentation of the EU Court of Auditors report on the annual accounts of the European Food Safety Authority (EFSA) for the year 2014, together with the Authority's reply.

CONTENT: in accordance with the tasks conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, the Court presents to the European Parliament and to the Council, in the context of the discharge procedure, a Statement of Assurance as to the reliability of the annual accounts of each institution, body or agency of the EU, and the legality and regularity of the transactions underlying them, on the basis of an independent external audit.

This audit concerned, amongst others, the annual accounts of the European Food Safety Authority (EFSA).

Statement of assurance: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the Authority, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2014, and
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Court's opinion, the Authority's annual accounts present fairly, in all material respects, its financial position as at 31 December 2014 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer.

Opinion on the legality and regularity of the transactions underlying the accounts: in the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2014 are legal and regular in all material respects.

The report also makes a series of observations on the budgetary and financial management of the Authority, accompanied by the Authority's response. The main observations may be summarised as follows:

The Court's observations:

- **staff remunerations:** the Court noted that in 2005 new EU Staff Regulations entered into force, including provisions that future remunerations of officials recruited before 1 May 2004 should not be less than under the previous EU Staff Regulations. The Court's audit revealed that this was not complied with and, in the case of 8 of the 71 officials employed at that time, this led to a total underpayment of EUR 87 000 for the period 2005 to 2014.

The Authority's reply:

- **staff remunerations:** as regards the salary underpayments, EFSA specified that the treatment and calculation of the payroll costs are similar to other EU agencies externalised by the Authority to the PMO (department of the European Commission).

Lastly, the Court of Auditors report contains a summary of the Authority's activities in 2014. This is focused on the following:

Budget:

Budget: EUR 79.8 of which the Union contribution amounts to 100 %.

Activities:

- scientific opinions and advice, as well as information on risks;
- evaluation of products, substances and claims subject to authorisation (in particular certain pesticides);
- data collection, scientific cooperation and networking;
- publications and scientific outputs supported by communication activities, press releases and web content.

2014 discharge: European Food Safety Authority (EFSA)

Having examined the revenue and expenditure accounts for the financial year 2014 and the balance sheet as at 31 December 2014 of the European Food Safety Authority (EFSA), as well as the Court of Auditors' report on the annual accounts of the Authority for the financial year 2014, accompanied by the Authority's replies to the Court's observations, the Council recommended the European Parliament to give a discharge to the Executive Director of the Authority in respect of the implementation of the budget for the financial year 2014.

The Council welcomed the Court's opinion that, in all material respects, the Authority's annual accounts present fairly its financial position as at 31 December 2014 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of the Authority's Financial Regulation, and that the underlying transactions for 2014 are legal and regular in all material respects.

Nevertheless, the Council has made some observations which may be summarised as follows:

- staff remuneration: the Council noted the Court's observation that the Authority had not complied with certain of the Staff Regulations' provisions on remuneration and welcomes the Authority's corrective action.

2014 discharge: European Food Safety Authority (EFSA)

The Committee on Budgetary Control adopted the report by Derek VAUGHAN (S&D, UK) on discharge in respect of the implementation of the budget of the European Food Safety Authority for the financial year 2014.

The parliamentary committee calls on the European Parliament to grant the Executive Director of the Authority discharge in respect of the implementation of the Authority's budget for the financial year 2014.

Noting that the Court of Auditors issued a statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions for the financial year 2014, Members call on Parliament to approve the closure of the Authority's accounts. They made, however, a number of recommendations that needed to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the [draft resolution on performance, financial management and control of EU agencies](#):

- Authority's financial statements: Members note its final budget for the financial year 2014 was EUR 79 701 222, representing an increase of 2.11 % compared to 2013.
- Budget and financial management: Members note 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.

Members also made a series of observations regarding contract award, recruitment and internal audit and control procedures.

On the issue of conflicts of interest, Members note 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. They note with concern 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. They observe that, during 2014, the Authority received a number of contributions on independence-related issues from stakeholders and non-governmental organisations and that these contributed to the review of implementing rules for the independence policy. Members favour a holistic approach to the question of conflicts of interest in the Authority.

Members point 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. They acknowledge that the Authority considers that a clear legal and governance framework on revolving doors is already in place.

Lastly, they note with satisfaction that the Authority no longer accepts anonymised interests and has withdrawn this option for experts when completing their declaration of interests.

2014 discharge: European Food Safety Authority (EFSA)

The European Parliament decided by 415 votes to 216, with 9 abstentions, to grant discharge to the Executive Director of the European Food Safety Authority in respect of the implementation of the Authority's budget for the financial year 2014. The vote on the decision on discharge covers the closure of the accounts (in accordance with Annex V, Article 5 (1)(a) to Parliament's Rules of Procedure).

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the Authority's annual accounts for the financial year 2014 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 472 votes to 162 with 9 abstentions, a resolution containing a series of recommendations, which form an integral part of the decision on discharge and which add to the general recommendations set out in the [resolution on performance, financial management and control of EU agencies](#):

- Authority's financial statements: Parliament noted its final budget for the financial year 2014 was EUR 79 701 222, representing an

increase of 2.11 % compared to 2013.

- Budget and financial management: Parliament noted 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.

Parliament also made a series of observations regarding contract award, recruitment and internal audit and control procedures.

On the issue of conflicts of interest, Parliament noted 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. Furthermore, it noted 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.

It noted with concern 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.

It observed that, during 2014, the Authority received a number of contributions on independence-related issues from stakeholders and non-governmental organisations and that these contributed to the review of implementing rules for the independence policy. Members favour a holistic approach to the question of conflicts of interest in the Authority.

Parliament reminded the Authority of the European Ombudsman's ruling stating that the Authority should revise its conflict of interest rules to ensure that those experts who work for academia declare all relevant information to the Authority. It is of the opinion that if this would affect around one third of the experts as stated by the Authority, then the Authority should dedicate special attention to the issue and work on specific measures together with the concerned academic institutions to safeguard the integrity of both institutions.

Cooling-off period: Parliament reiterated its call on the Authority to apply a two-year cooling-off period. It does not accept the Authority's justification for its refusal to implement the discharge authority's repeated demands of establishing such a two-year cooling-off period on all material interests related to the companies it regulates.

Parliament pointed 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. It acknowledged that the Authority considers that a clear legal and governance framework on revolving doors is already in place.

Lastly, it noted with satisfaction that the Authority no longer accepts anonymised interests and has withdrawn this option for experts when completing their declaration of interests.

2014 discharge: European Food Safety Authority (EFSA)

PURPOSE: to grant discharge to the in European Food Safety Authority (EFSA) in respect of the budget for the financial year 2014.

NON LEGISLATIVE ACT: Decision (EU) 2016/1522 of the European Parliament on discharge in respect of the implementation of the budget of the European Food Safety Authority for the financial year 2014.

CONTENT: with the present decision, the European Parliament grants discharge to the Executive Director of the European Food Safety Authority the implementation of its budget for the financial year 2014.

This decision is in line with the European Parliament's resolution adopted on 28 April 2016 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 28 April 2016).

Amongst Parliament's main observations in the resolution accompanying the discharge decision, it called on those Union institutions and agencies which have introduced codes of conduct, including the Parliament, to step up their implementation measures, such as checks of declarations of financial interests. It reiterated its call for the Authority to apply a two-year cooling-off period on all material interests related to the companies it regulates while welcoming its independence and conflicts of interest policy concerning expert groups.