

Integrated Planning, Monitoring and Reporting

1. Purpose

This procedure describes how the planning, monitoring, and reporting of the European Chemicals Agency (hereinafter "Agency") is carried out in an integrated manner. The procedure aims at ensuring that the activities are carried out consistently and effectively. It serves also as a reference document that outlines the steps, responsibilities, and mechanisms involved in the different stages of the cycle.

2. Scope

This procedure applies to the strategic, financial and human resources planning, monitoring and reporting in the Agency, and is implemented by all Directorates of the Agency.

3. Description

The integrated planning, monitoring, and reporting process is based on an activity-based management approach. The Agency sets specific objectives and metrics for its activities. These metrics serve the purpose of monitoring the progress towards the achievement of the objectives set. The Agency presents the results in its Annual Report and in other reports to relevant internal and external stakeholders.

3.1. Legislative framework

Articles 32 and 33 of ECHA's Financial Regulation ([FR - MB/29/2019](#)) set the requirements for the annual and multi-annual programming to be prepared in the form of a Single Programming Document (SPD) of the Agency, including:

- a) the multiannual work programme of the Agency;
- b) the annual work programme of the Agency;
- c) an estimate of Agency's revenue and expenditure;
- d) a resources programming;
- e) information on Agency's building policy;
- f) the Agency's strategy for cooperation with third countries and/or international organisations;
- g) the Agency's strategy for achieving efficiency gains and synergies;
- h) the Agency's strategy for the organisational management and internal control systems, including the Agency's anti-fraud strategy as last updated, as well as an indication of measures to prevent recurrence of cases of conflict of interest, irregularities and fraud.

The REACH Regulation (Article 78) sets the requirements for the adoption of the Agency's Work Programmes and General Report. The latter forms part of ECHA's Annual Report (AR), that also includes the Consolidated Annual Activity Report (CAAR), prepared based on the Article 48 of the FR.

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3.2. Actors

The following actors are involved in the process of integrated planning, monitoring and reporting:

- A cross-functional team (CFT) on planning, monitoring and reporting consisting of representatives of the Governance, Strategy and Relations Unit, Finance Unit, Human Resources Unit;
- All Directorates of the Agency, including their relevant Directors and Heads of Units (HoU) as appropriate;
- The Management Board (MB) of the Agency and its Subgroups on Strategy, Planning and Implementation (SG SPI) and Finance Audit and Risks (FAR);
- The Executive Director (ED) of the Agency;
- The relevant bodies for conducting evaluations as set in PRO-0020.

The roles, responsibilities and accountabilities are held by the actors listed above and exercised with the frequency provided as set out in the indicative Planning, Monitoring and Reporting Schedule (Annex I).

3.3. Planning cycle

The Agency's Single Programming Document (SPD) structure follows closely the European Commission's Guidelines for the Single Programming Document (C(2020) 2297 final). It covers a period of three years (N+1 – N+3) whereas the principle of ensuring a consistent approach between annual and multi-annual programming is maintained by providing a programming document containing both annual and multi-annual components as described below.

3.3.1. Timeline

By 31 January of the year N at latest, a draft version of the SPD (N+1 – N+3) is submitted to the European Commission (COM) for its opinion; in parallel the high-level draft budget N+1 is also provided. In accordance with Article 32(7) ECHA's Financial Regulation, the Commission sends its opinion on the draft not later than 1 July of the year N.

In Q2 of the year N, the preparation of the draft budget for N+1 is launched as to receive detailed budget needs. The process includes providing input by the Directors on needs and projects, anticipated budgetary requirements (input for draft budget N+1) and expected timetable for use.

In Q3 of the year N, the draft SPD is updated taking into consideration the Commission's opinion, MB recommendations, European Parliament Discharge resolution and if applicable, the input obtained from other agencies where consulted. The updated draft is reviewed by the Directors, prior providing it to the MB SG SPI for feedback.

In Q3 of the year N, the detailed draft budget for N+1 and the high-level preliminary draft budget for N+2 are completed. The Directors' Team (DT) reviews the budget allocation for N+1. In a top-down approach, the DT determines the resource outlook for N+1 and for years N+2 to N+4. N+1 resource estimate is per activity, based on a comparison with N-1 actuals, as well as on N+1 foreseen post allocation per regulation, other tasks and new tasks.

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In Q4 of year N, the MB adopts the draft SPD (N+2 – N+4) and the final SPD (N+1 – N+3) including Annexes (the N+2 part is adopted to technically meet the REACH Art 78 requirement; the N+2 content is revised during the course of N+1).

3.3.2. Work Planning

The draft actions, outputs, and metrics for SPD (N+2 – N+4) are prepared by the DT already in year N, alongside updating those for N+1. The CFT initiates the preparation, while the DT engages in an initial discussion regarding strategic trends and specific developments anticipated in year N+2, and provide input on:

- resource projections for years (N+2 - N+4), considering new tasks, growth, efficiency gains, and prioritization adjustments;
- multi-year trends in strategic action areas.

For the SPD (N+1 – N+3), the key actions and outputs, and the corresponding full time equivalent human resources, are decided by the Directors for each Work Programme activity.

The processes developed to gather the relevant information from the unit level planning (ULP), include the bottom-up ULP exercise together with the detailed budget planning. These are also intended to provide the units opportunities and tools to plan their work in a more detailed level for the upcoming years.

After the ULP exercise is concluded, the CFT team consolidates the input and highlights any issues to the Directors for their review. Based on that, an adjustment of tasks based on the aggregation of bottom-up planning can be made as appropriate. Observed deviations from the top-down resource estimates would be documented in the annual report.

3.3.3. Resource planning

The relevant annexes for SPD (N+1 – N+3) and (N+2 – N+4) are prepared by the CFT in Q4 of the year N, based on the Directors' input on:

- estimates of revenue from fees and charges, administrative and operational expenditure, statutory staff as well as seconded national experts for Annexes II and III
- qualitative and quantitative estimates of the human resources for Annexes IV and V.

The technical update of the SPD with the actuals for year N is conducted in the period December of the year N to January of the year N+1.

3.3.1. Risk management

Agency-level risk management, as part of the strategic planning, aims to identify, assess and mitigate risks that may potentially threaten the achievement of objectives.

3.4. Monitoring and regular reporting**3.4.1. Internal management reporting**

The Directors team (DT) usually convenes on a weekly basis and the agenda contains a standard item regarding the Strategy and SPD implementation. Under this item any deviations or risks may be discussed. A more thorough review of the Work Programme implementation as well as risks is carried out on a quarterly basis.

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The DT is provided with a monthly financial report (including cumulative budget execution and fee income) and a Quarterly People Report (including the status of ECHA's turnover rate, staffing plan, ongoing and planned selections, interim consumption, learning and development activities and statistics on i.a. age, gender and nationality distribution; and other staff related matters).

3.4.2. Reporting to the Management Board

Reporting to the Management Board takes place through a written Quarterly report, after each quarter concludes, as well as an oral update by the Executive Director in each of the meetings.

- The Executive Director report covers past developments and also includes a forward-looking element. The report highlights relevant actions, achievements and risks since the last MB meeting.
- The Quarterly report is circulated to all Board members. The report focuses on completed actions, significant progress, or deviations from the targets set and follows the Work Programme structure. It also includes an overview regarding selected metrics and the Information Security and IT business continuity report.

The regular reporting also includes the budget implementation. Based on the needs, one to three amending budgets may be prepared, to adjust expenditure and/or income. The amending budgets are presented to the Management Board for adoption.

3.4.3. Reporting to the Commission

A report on ECHA's fee-earning operational activity and fee income and expenditure is provided to the Commission on a four-month basis, with:

- The actual collected fee income and expenditure are reported by the Finance unit.
- The estimates for the remainder of the year as well as the narrative explaining any deviations from the forecasts are provided by the operational Directorates.

In addition, ECHA provides a report to DG GROW on REACH/ CLP fee income development on a monthly basis.

3.5. Annual report

The Agency's Annual report (AR) for the year N-1, implements the REACH requirement for a General Report (GR) and the requirements of the Financial Regulation regarding the Consolidated Annual Activity Report (CAAR):

- The GR covers the activities of ECHA in the previous year.
- The CAAR is a report intended for institutional stakeholders and forms also the basis for the Executive Director's discharge by the European Parliament.

The AR preparation is launched in year N-1, while the Directorates provide their contributions by the end of Jan N. The AR consist of the following elements as a minimum:

- Achievements of the year;
- Governance and management;
- Assessment of the effectiveness of the internal control systems;
- Management assurance/ declaration of assurance.

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The AR takes into account the conclusions from the Management Review held in year N, performed by the Directors through an analysis of audits, nonconformities, risks, desk reviews and self-assessments. The Management Review is performed against ECHA's Integrated Management System Strategy and Framework, in compliance with the requirements of the Financial Regulation on internal control systems, the Internal control framework of the Commission, as well as in compliance with ISO 9001 and ISO 14001.

The Authorising Officer (ED) endorses the assessment on the performance of the internal control systems.

Human Resources and Finance Units provide a report on the final budget execution and post allocation for the AR.

The MB SG Strategy, Planning, and Implementation engages in discussions regarding the AR and prepares a draft assessment of the AR. The MB reviews and adopts the General Report section of the AR and evaluates the CAAR (Consolidated Annual Activity Report) section. Subsequently, the MB instructs the ED to send the AR, along with its assessment, to the European Parliament, the Court of Auditors, the Council, and the European Commission.

3.6. Impact assessments and evaluations

During the final quarter of year N, the Evaluation Coordination Function (ECF) establishes the multi-annual and annual evaluation rolling plans for the planned ex-post evaluations. The plan for the following year (N+1) is incorporated into the Agency's audits and evaluations calendar (TEM-0083) to provide an encompassing overview of the subjects that will undergo auditing or evaluation throughout the year.

In the course of the year, the evaluations are conducted by Working Groups and the ECF as required by the ECHA's Financial Regulation, in accordance with the rolling plan and the Commission's guidelines.

The ED reports on the status of relevant evaluations and their outcome in the AR and to the Management Board and Commission bi-annually.

4. Definitions

Term or abbreviation	Definition
AR	Annual Report
CAAR	Consolidated Annual Activity Report
CFT	Cross functional team with members from the Finance unit, Human Resources unit and Governance, Strategy and Relations unit
COM	European Commission
DT	Directors' Team
ECF	Evaluation Coordination Function
ED	Executive Director

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Term or abbreviation	Definition
EWG	Evaluation Working Group
FR	ECHA's Financial Regulation (MB/29/2019)
GSR	Governance, Strategy and Relations unit
GR	General Report
HoU	Head of Unit
HR	Human Resources
MB	Management Board
MB SG	Management Board Subgroup on Strategy, Planning and Implementation
PMR	Planning, Monitoring and Reporting
SPD	Single Programming Document
ULP	Unit Level Plan

6. Records

Record name	Security level	Comments
SPD Single Programming Document including annexes	Public	This is recorded as part of the MB records
Annual Report (incl. CAAR)	Public	This is recorded as part of the MB records
Final budget and Establishment Plan	Public	This is recorded as part of the MB records

7. References

Associated document code	Document name
EC 1907/2006	REACH Regulation
MB/29/2019	Financial Regulation of the European Chemicals Agency
C(2020) 2297 final, 20.4.2020	Communication from the Commission on the strengthening of the governance of Union Bodies under Article 70 of the Financial Regulation 2018/1046 and on the guidelines for the Single Programming Document and the Consolidated Annual Activity Report

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Associated document code	Document name
	Annex 1 Guidelines for the Single Programming document
ISO 9001:2015	Quality management systems - Requirements
ISO 14001:2015	Environmental management systems – Requirements with guidance for use
MB/40/2015	ECHA's ex-ante and ex-post evaluations framework, scope, approach and rolling plan established in the 40 th meeting of the Management Board on 16-17 December 2015.
PRO-0020	Internal audits and evaluations in ECHA

8. Annexes

Annex I: Indicative Planning, Monitoring and Reporting Schedule

Timeline (Month/ Year)	Action/ process	Responsible
Jan N	Draft version of SPD (N+1 – N+3) is submitted to the European Commission (COM) for its opinion.	CFT
	High-level draft budget N+1, as presented to the Management Board in Dec N-1, is submitted to the COM.	Finance Unit
May-Sep N	Opinion from the COM and the draft EU budget is received, including subsidy levels for ECHA.	COM
May-Jun N	Launch of the preparation of the draft budget for N+1	Finance Unit
Jun-Aug N	Providing input on needs and projects, including anticipated budgetary requirements (input for draft budget N+1) and expected timetable for use.	Directors
	Preparing the detailed draft budget N+1 and informing the Directors if any significant deviations are detected in the provided input.	Finance Unit
Aug N	Draft SPD is updated taking into consideration: <ul style="list-style-type: none"> • COM opinion • MB recommendations • European Parliament Discharge resolution • Input obtained from other agencies where consulted (optional) 	CFT
Sep N	The key actions and outputs and the corresponding full time equivalent human resource levels for N+1 per activity to be use as planning assumption, are decided.	Directors
	Draft SPD N+1 – N+3 is amended as per prioritisation discussion.	CFT
Dec N	SPD N+1 – N+3 adoption by the MB	MB