

# Consolidated Annual Activity Report of the Authorising Officer of the European Chemicals Agency for year 2014

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**LIST OF ACRONYMS**

AWP	Annual Work Programme
CA	Contract Agent
CAAR	Consolidated Annual Activity Report
CLP	Classification, Labelling and Packaging
DG	Directorate General
DPO	Data Protection Officer
ECA	European Court of Auditors
ECHA	European Chemicals Agency
ED	Executive Director
EDPS	European Data Protection Supervisor
Forum	Forum for Exchange of Information on Enforcement
FR	ECHA Financial Regulation
IAC	Internal Audit Capability
IAS	Internal Audit Service of the European Union
ISO	International Organization for Standardization
IQMS	Integrated Quality Management System
MAWP	Multi-Annual Work Programme
MB	Management Board
MSCA	Member State Competent Authority
PIC	Prior Informed Consent
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
REACH-IT	central IT system providing support for REACH
TA	Temporary Agent

## **INTRODUCTION**

The Consolidated Annual Activity Report of the Authorising Officer responds to the requirements as laid down in the Financial Regulation of ECHA and reports on the performance of the duties of the Executive Director as the Authorising Officer and Appointing Authority of the Agency.

The report is drawn up by Executive Director under his own responsibility and submitted to the Management Board for information.

In line with the Financial Regulation, the Management Board is expected to make an assessment of the Consolidated Annual Activity Report (CAAR) which has to be submitted, together with the CAAR, to the Court of Auditors, the European Parliament, the Commission and the Council no later than 01 July 2015.

**The Consolidated Annual Activity Report covers Parts II, III and IV and the pertaining annexes.**

The Achievements of the year (Part I) are covered by the General Report.

## **PART I ACHIEVEMENTS OF THE YEAR (SEE GENERAL REPORT)**

### **PART II GOVERNANCE AND MANAGEMENT**

#### **2.1 Management Board**

##### **2.1.1. Management Board's assessment**

The Management Board provides its assessment of the Consolidated Annual Activity Report and instructs the Executive Director to send the Assessment of the Consolidated Annual Activity Report as adopted not later than 01 July 2015 to the Court of Auditors, the European Parliament, the Commission and the Council.

##### **2.1.2. Management Board overview**

In 2014 the Management Board dealt in particular with budgetary risks, linked to foreseen cuts in human resources in the REACH and CLP sections as well as a shortfall of fee revenue in the Biocides section compared to the projections made by Commission during the process leading to the adoption of the BPR Regulation.

The Management Board also reviewed and revised as appropriate several key Decisions related to the functioning of the Agency, such as the policy on managing potential conflicts of interest, the arrangements for transferring a proportion of fees to Member States, the ECHA Financial Regulation and the Decision related to administrative charges in the context of SME verification. Furthermore, the Management Board dealt with risk related to the capacity of the ECHA Committees for delivering on their future workload. A package of actions was devised and presented to the Board in December.

Other important issues dealt with by the Management Board included the multi-annual IT project planning, work related to developing the vision of the Agency for 2020 and the adoption of a transparency approach and an anti-fraud strategy.

All statutory documents were adopted as foreseen in the applicable rules and regulations.

#### **2.2. Major developments**

In a context where ECHA faces a number of fundamental challenges and where strategic choices need to be made responding to the confirmed budgetary restrictions (i.e. 2% TA reduction p.a. in REACH/CLP posts), the Senior Management shaped a first outlook on the future vision of ECHA.

The strategic vision of ECHA 2020 is a lean public organisation that is fully focussed on delivering operational and impactful regulatory work in line with its founding legislations, which could demonstrate its added value to the European citizens and thus increase its chances of acquiring new regulatory activities.

Translated to ECHA's current activities this would mean that in practice in the coming years:

- Proportionally more resources would need to be allocated to ECHA's leaner, more efficient and better integrated operational activities based on clear priorities.
- Horizontal and administrative support activities would need to operate in a leaner manner delivering fit-for-purpose services.

The vision of ECHA 2020 was presented to the Management Board on 17 December 2014 (ref. MB/44/2014). MB will help to steer expected output with available resources through (multi-annual) work programmes.

### 2.3 Budgetary and financial management

As stated in Article 92 of the Financial Regulation applicable to the budget of ECHA, the annual accounts of the Agency are accompanied by a report on budgetary and financial management during the year. This report is drawn up under the responsibility of the Executive Director and the relevant part will be part of his Consolidated Annual Activity Report.

In accordance with the REACH Regulation (No 1907/2006), ECHA is financed through fees paid by industry for registrations of chemical substances and by a possible EU balancing subsidy as referred to in Article 208 of the general Financial Regulation. In 2014, ECHA was fully financed through fee income for its REACH & CLP operations.

In accordance with the Regulation on Biocidal Products (BPR, No 528/2012), ECHA is financed partially through fees paid by industry and partially through an EU subsidy as referred to in Article 208 of the general Financial Regulation. In 2014, ECHA was financed only partially from fees collected during the year whereas the majority of the expenditure budget was financed by an EU subsidy of €5,064,194 (€6,070,500 in 2013). Additionally, ECHA was supported with an additional amount of € 1,244,421 (€920,900 in 2013) by the Commission (DG Environment), as a compensation for non-materialised income, and received EFTA contributions of €152,205 in the year.

In accordance with the Prior Informed Consent (PIC) Regulation (No 649/2012), ECHA is fully financed by a Community subsidy as referred to in Article 208 of the general Financial Regulation. This subsidy amounted to €1,297,244 (€1,561,500 in 2013).

The initial budgetary payment appropriations for the expenditure of 2014, as concluded by the Management Board in December 2013, amounted to €118,579,418.

During the year 2014 the Management Board adopted two amending budgets. The first amending budget in June increased the REACH reserve with the surplus resulting from the positive outturn of 2013 and decreased it by the net cash impact of the premiums/discounts of the maturing bond investments. Also, as ECHA received a special BPR contribution of €177,057 from Norway after the adoption of the 2014 budget, this amount was now inserted into the budget. Finally, as the fee revenue from the BPR was observed significantly below the forecast, ECHA reduced the biocides expenditure by €1 million.

The second amending budget adapted the Agency's revenue to the real income situation. The REACH/CLP income was adjusted upwards by €5,060,804 to a total of €25,139,004 and the BPR fee income was further reduced by €1,900,000 to a total of €1,300,000. Furthermore, the second amending budget also reduced the expenditure budgeted for REACH/CLP by €3,826,000, BPR by €653,000 and PIC by €40,500 leading to an overall net decrease in expenditure of EUR 4,519,500. The amendments in the income and expenditure of REACH/CLP resulted in a surplus of €8,886,804 that was transferred to the reserve. An additional €1,247,000 amendment for BPR income was introduced making use of the Commission guarantee for unrealised fee income in 2014.

**Budget overview (in '000)**

Revenue	Initial voted budget	Amending budgets	Final voted budget
Fees and subsidies	32 518	3 544	36 062
Reserve consumption	86 062	-8 887	77 175
<b>Total revenue</b>	<b>118 579</b>	<b>-5 342</b>	<b>113 237</b>
Expenditure			
Commitment appropriations	118 891	-4 601	114 289
Payment appropriations	118 579	-5 342	113 237

**2.3.1 Revenue**

The budget funding of ECHA in 2014 was made up as follows:

Description	Initial Budget 2014	Amending Budgets No 1 & No 2 2014	Final Budget	Revenue received
Fees and charges from registrations	14 350 400	7 726 604	22 077 004	23 034 225
Fees and charges from authorisations	2 505 100	(823 100)	1 682 000	1 682 281
Fees SME Administrative charge	3 000 000	(1 800 000)	1 200 000	1 085 374
Fees and charges from CLP	142 700	(42 700)	100 000	93 300
<b>Subtotal Fee Invoicing income (excl. Appeals)</b>	<b>19 998 200</b>	<b>5 060 804</b>	<b>25 059 004</b>	<b>25 895 180</b>
Fees and charges from Appeals	80 000		80 000	55 705
<b>Total REACH Fee Income (incl. Appeals)</b>	<b>20 078 200</b>	<b>5 060 804</b>	<b>25 139 004</b>	<b>25 950 885</b>
Fees relating to Biocidal active substances	285 000	203 000	488 000	488 000
Fees for Union authorisation of Biocidal products	960 000	(960 000)	0	0
Miscellaneous fees Biocides	2 955 000	(2 143 000)	812 000	777 774
<b>Total BPR Fees Income</b>	<b>4 200 000</b>	<b>(2 900 000)</b>	<b>1 300 000</b>	<b>1 265 774</b>
Biocide Subsidy	5 064 194		5 064 194	5 064 194
Biocide Balancing of non-materialised fees	0	1 247 000	1 247 000	1 244 421
EFTA Contribution	128 000		128 000	152 205
Other contributions	0	177 057	177 057	177 057
PIC Subsidy	1 297 224	(40 500)	1 256 724	1 297 224
Revenue from Bank Interest on Fee income	1 700 000		1 700 000	1 820 488
Other	50 000		50 000	24 749
<b>Total income excluding reserve</b>	<b>32 517 618</b>	<b>3 544 361</b>	<b>36 061 979</b>	<b>36 996 997</b>
Reserve	162 712 070	(2 667 185)	160 044 885	160 044 885
<b>Total</b>	<b>195 229 688</b>	<b>877 176</b>	<b>196 106 864</b>	<b>197 041 882</b>

## **Collected fees and charges in 2014**

### **A) REACH**

The fees and charges collected by ECHA are determined by the REACH Regulation, the Fee Regulation and by the decisions of the Management Board. Due to the once-off nature of the REACH fees, there is high uncertainty as to their amount and timing. The budgetary revenue from REACH fees/charges in 2014 in terms of the cash received amounted to €25,895,180 (€85,782,979 in 2013). The revenue was significantly lower than in 2013 due to the fact that the second registration deadline under REACH occurred on the 31 May 2013. The actual revenue recorded in the year (€25,895,180) was significantly higher than initially estimated (€19,998,200) due to a number of factors, the leading factor being a larger number of dossiers in higher tonnages than had been estimated. Another factor which attributed to the increased income on initial forecasts was due to the initiative of the Agency in that it launched a screening campaign targeted at intermediate registrations. Through this campaign ECHA encouraged registrants of intermediates to proactively reassess the status of their substances as intermediate and, where necessary to update their registration dossiers. As a result of the campaign, there was a peak of revenue collected.

In addition, income of €55,705 (€17,167 in 2013) was recorded in relation to REACH appeal fees.

The Top-up fee income generated (included in point A of Table above) via the SME verification process fell significantly in 2014 to EUR 1.136.338 (EUR 4.092.995 in 2013) due to a number of factors. The main factors were that all communication had to be made in the language identified by the Registrant and an EU General Court ruling in early October 2014 queried the proportionality of the Administrative charge in some cases. In addition, during 2013, a large number of registrants took advantage of the option to rectify an incorrectly declared size category directly after ECHA has initiated verification was introduced. This option allowed the companies to benefit from a 50% reduction in the administrative charge. ECHA cashed a further EUR 1.085.374 (EUR 3.385.300 in 2013) with respect of administrative charges.

### **B) Biocides**

The biocide fees and charges collected by ECHA are determined by the Biocidal Product Regulation, the Fee and charges Regulation and by the decisions of the Management Board. The Regulation entered into operation with effect from 01 September 2013. The budgetary revenue from Biocidal product fees/charges, for 2014, in terms of the cash received amounted to €1,265,774 (€313,000 in 2013).

### **C) Other miscellaneous income**

During the year the Agency recorded gross interest income of €1,820,488. The bulk of this income relates to coupon payments on bonds (€1,588,667) and interest received on deposit account investments (€185,911). As the REACH reserve diminishes and interest rates remain low the return achievable will continue to fall.

### 2.3.2 Expenditure

#### Budget expenditure overview per Title

Title	Budget description line	Voted Budget commitment appropriations	Amending budget commitment appropriations	Transfers	Final budget commitment appropriations
Title 1	STAFF	74 904 859	- 1 408 000	905 928	74 402 787
Title 2	BUILDING, EQUIPMENT AND MISCELL.OPER. EXPENDITURE	15 607 175	- 767 500	0	14 839 675
Title 3	OPERATIONAL EXPENDITURE – REACH	26 131 675	- 1 605 000	- 893 000	23 633 675
Title 4	OPERATIONAL EXPENDITURE – BIOCIDES	1 709 885	- 980 000	18 052	747 937
Title 5	OPERATIONAL EXPENDITURE – PIC	537 099	- 18 000	- 30 981	488 118
<b>TOTAL</b>		<b>118 890 693</b>	<b>-4 778 500</b>	<b>0</b>	<b>114 112 193</b>

Title	Budget description line	Voted Budget payment appropriations	Amending budget payment appropriations	Transfers	Final budget payment appropriations
Title 1	STAFF	74 904 859	- 1 408 000	905 928	74 402 787
Title 2	BUILDING, EQUIPMENT AND MISCELL.OPER. EXPENDITURE	15 607 175	- 767 500	0	14 839 675
Title 3	OPERATIONAL EXPENDITURE – REACH	25 820 400	- 2 346 000	- 893 000	22 581 400
Title 4	OPERATIONAL EXPENDITURE – BIOCIDES	1 709 885	- 980 000	18 052	747 937
Title 5	OPERATIONAL EXPENDITURE – PIC	537 099	- 18 000	- 30 981	488 118
<b>TOTAL</b>		<b>118 579 418</b>	<b>- 5 519 500</b>	<b>0</b>	<b>113 059 918</b>

Budget expenditure includes payments made during the year as well as the carry-over of budgetary appropriations. The following paragraphs and table summarises the execution of appropriations for the current year (C1 credits) per Title and a more detailed breakdown is provided in the Annex II.

#### **Title 1: staff expenditure**

The initially adopted budget for Title 1 in 2014 was € 74.9 million and the overall decrease during the year including transfers and amending budgets was € 0.5 million. The final executed amount totalled to € 71.8 million corresponding to an execution rate of 96.4% for the payment appropriations.

The amount of € 109,197 carried over from the previous year (C8) was not used in payments and was cancelled.

#### **Title 2: infrastructure expenditure**

The initial Title 2 appropriations totalled to € 15.6 million and during the year the amount was reduced by € 0.8 million. During the year, € 14.4 million were committed which corresponds to execution of 96.9%.

The biggest expenditure areas, apart from the rent of the building, were the IT outsourced hosting services, the costs of security, cleaning and electricity of the building, purchases of IT hardware, software and their maintenance.

The amount of € 105,989 carried over from the previous year (C8) was not used in payments and was cancelled.

### ***Title 3: operational expenditure REACH and CLP***

The Title 3 is exclusively for the operational expenditure needed to implement the REACH and CLP regulations. The initial budgeted appropriations amounted € 25.8 million and it was decreased during the year by € 3.2 million. The executed commitment appropriations for 2014 were € 22.9 million corresponding to 96.8% and the appropriations carried over amounted to € 8.2 million representing 35.8% of the committed amount.

The expenditure related to Scientific IT tools represents about half of the total expenditure in Title 3 totalling to about € 12 million and the expenditure related to Evaluation amounted € 2.3 million. These two items cover also more than 75% of the amount carried over. The carry over appropriations mainly relate to the commitments for the lengthy substance evaluation process, for ordered translation work and operational IT projects.

The amount of € 268,188 carried over from the previous year (C8) was not used in payments and was cancelled, mainly due to lower travel expenses of meeting participants or cancellation of trips.

### ***Title 4: operational expenditure Biocides***

The Biocides related operational expenditure in the initial budget totalled to € 1.7 million, but during the year it was reduced by € 0.96 million. The total committed amount was € 0.71 million corresponding to 94.8% and the carried over amount was € 0.14 million representing 20.2% of the committed amount. The carry over appropriations consist of several small amounts.

The amount of € 25,445 carried over from the previous year (C8) was not used in payments and was cancelled.

### ***Title 5: operational expenditure PIC***

The adopted budget for Title 5 was € 0.54 million and it was reduced by € 49 thousands. The executed commitment appropriations amounted € 0.47 million corresponding to 96.3% whereas the carried over amount was € 0.17 million and 35.9%.

As with REACH, the expenditure related to Scientific IT tools is the biggest expenditure item representing about 65% of the total expenditure in Title 5. The carry over of appropriations relates to expenditure for support, maintenance and application management of Epic as well as for Edexim hosting where the final payments for the contracts are done the following year.

The amount of € 7,850 carried over from the previous year (C8) was not used in payments and was cancelled.

### ***Late interest payments***

During the year ECHA paid € 412.83 in late interest for a total of 6 invoices.

### **Procurement procedures**

In 2014, in implementation of its budget, ECHA has signed 736 contracts, out of which 548 contracts under framework contracts and 188 contracts as a result of procurement procedures. 23 contracts included in the latter category were signed as a result of exceptional negotiated procedures and 11 of those refer to legal services.

### **Budget Execution per Title / Fund source C1 - Current year appropriations – 2014\***

<b>Title</b>	<b>Final Available Commitment Appropriations (1)</b>	<b>Executed Commitment Amount (2)</b>	<b>% Committed (2)/(1)</b>	<b>Final Available Payment Appropriations (3)</b>	<b>Executed Payment Amount (4)</b>	<b>% Paid (4)/(3)</b>	<b>Carried over RAL (C8) (2)-(4)</b>	<b>Carry over %</b>	<b>Cancelled (1)-(2), For Chapter 11 (3)-(4)</b>	<b>Cancelled %</b>
Title 1	74 402 787.29	72 325 788.80	97.21%	74 402 787.29	71 754 133.20	96.44%	571 637.64	0.79%	2 076 998.49	2.79%
Title 2	14 839 675.00	14 382 885.31	96.92%	14 839 675.00	12 612 148.74	84.99%	1 770 736.57	12.31%	456 789.69	3.08%
Title 3	23 633 675.00	22 887 179.35	96.84%	22 581 400.00	13 650 883.74	60.45%	8 184 483.11	35.76%	746 495.65	3.31%
Title 4	747 937.49	708 970.20	94.79%	747 937.49	566 147.07	75.69%	142 823.13	20.15%	38 967.29	5.21%
Title 5	488 118.22	470 032.13	96.29%	488 118.22	301 500.32	61.77%	168 531.81	35.86%	18 086.09	3.71%
	<b>114 112 193.00</b>	<b>110 774 855.79</b>	<b>97.08%</b>	<b>113 059 918.00</b>	<b>98 884 813.07</b>	<b>87.46%</b>	<b>10 838 212.26</b>	<b>9.78%</b>	<b>3 337 337.21</b>	<b>2.95%</b>

**\*Note:** As ECHA operates with both differentiated (multiannual) and non-differentiated (annual) budget lines, the funds reserved for commitments (commitment appropriations) do not equal the funds reserved for payments (payment appropriations). The results for the administrative titles 1 and 2 are combined for all three Regulations.

### **Transfer of fees to the MSCA**

In accordance with MB decision MB/45/2014<sup>1</sup> ECHA transfers fees to the Member States for substance evaluation and rapporteur work in the context of restrictions proposals and authorisation applications. The ceiling of 5% for the period of 2013-2015 based on decision MB 22/2012/D<sup>2</sup> was not surpassed. The amount transferred to Member states in 2014 totals to EUR 1.9 million, out of which EUR 1.78 million refer to substance evaluation and EUR 0.13 million to restrictions proposals.

For each transfer, ECHA performs sound financial and contract management control in order to ensure timeliness and correctness of the transactions.

### **Ex-ante and ex-post evaluations**

Following the new provisions of the Financial Regulation, ECHA Management Board adopted its Implementing rules which shall apply as of 01 January 2015 (MB/55/2014). The Implementing rules stipulate the rules for implementation of ex-ante and ex-post evaluation of programmes, projects and activities. Currently ECHA's internal control system places a strong emphasis on ex-ante control, while ex-post evaluation has been performed mainly for IT projects, also during 2014, in line with the applicable PRINCE2 methodology for project governance at ECHA.

<sup>1</sup> Replacing MB 22/2012/D and setting a ceiling of 12.5million applicable for years 2015 -2017

<sup>2</sup> For the period 2013-2015, the maximum proportion of the fees and charges which can be transferred to Member States is fixed as 5% of the Agency's fee income for that period and any remaining fee income from previous years

## 2.4 Human resources management

### (1) Major HR events

In 2014, the recruitment target of the Agency was achieved with overall 97 % of Temporary Agent (TA) posts and 94 % of CA positions filled at the end of the year (for REACH/CLP, Biocides and PIC). The number of staff in place or being recruited (having accepted the employment offer) at end 2014 was 479 TAs and 106 CAs. The turnover of Temporary Agents remained relatively low at 4.4 %. Staff planning exercise is more and more demanding due to the annual post cuts ECHA faces as well as the continuous uncertainties on the Biocides area. In the learning and development area, ECHA started the Senior Management development programme and continued the Head of Unit and the Team Leader development programme. By end of 2014, 66 team leaders have been trained.

In the career development area, a new internal mobility policy was approved at the beginning of the year to enhance the internal mobility possibilities and to make the process more dynamic. The scientific competency mapping process implementation started end 2014 where a pilot project of the competency mapping was finalised. The competency mapping will continue in 2015 for all scientific staff. The job screening exercise was also launched at the end of the year 2014.

In November 2014, ECHA implemented for the first time the reclassification exercise for Contract Agents (CAs). Another big event of the year was the completion of the implementation of Phase 1 of the new HR management system, including financial management and a new employee self-service portal. The HR management system project will continue in 2015 with testing and implementation of sections including training, career development, time management and selection and recruitment.

Following the implementation of the harassment prevention policy four more confidential counsellors were appointed and trained during the year.

### (2) Results of the screening / benchmarking exercise

The screening/benchmarking exercise was launched at the end of 2014. At the Agency level the benchmarking exercise indicated that the percentage of the operational staff is higher than the percentage indicated in the benchmarking results disseminated by the EU Commission, while the percentage of administrative support staff is following the same trend as in the EU Commission results.

Key functions	Type of contract (official, TA)	Function group, grade of recruitment  (or bottom of the brackets if published in brackets)	Indication whether the function is dedicated to administration support or policy (operational)
<b>CORE FUNCTIONS</b>			
Executive Director	TA - 5 + 5 years	AD 15	Management
Deputy Executive	TA - 5 + 5 years	AD 14	Management

Director	+ indefinite		
Director (Head of Directorate) (Level 2)	TA - 5 + 5 years + indefinite	AD 13	Policy (operational)/ Management
Head of Unit (Level 3)	TA - 5 + 5 years + indefinite	AD 9 – AD 12	Operations/ Management
Administrator	TA - 5 + 5 years + indefinite	AD 5 – AD 9	Operations/Administration
<b>SUPPORT FUNCTIONS</b>			
Head of Administration (Head of Directorate) (Level 2)	TA 5 + 5 years + indefinite	AD 13	Administration
Head of Human Resources (Level 3)	TA - 5 + 5 years + indefinite	AD 9 – AD 11	Administration
Head of Finance (Level 3)	TA - 5 + 5 years + indefinite	AD 12	Administration
Head of Communication (Level 3)	TA - 5 + 5 years + indefinite	AD 11	Administration
Head of IT Unit	TA - 5 + 5 years + indefinite	AD 10	Administration
Senior Assistant	TA - 5 + 5 years + indefinite	AST 10 – AST 11	Operations/Administration
Assistant	TA - 5 + 5 years + indefinite	AST 1 – AST 5	Operations/Administration
<b>SPECIAL FUNCTIONS</b>			
Data Protection Officer	TA - 5 + 5 years + indefinite	AD 6	Administration
Accounting Officer	TA - 5 + 5 years + indefinite	AD 10	Administration
Internal Auditor	TA - 5 + 5 years + indefinite	AD 10	Administration
Scientific Advisor	TA - 5 + 5 years	AD 12	Operations/Administration

	+ indefinite		
Administrative Assistant – Short term	TA - 1 + 1 year	AST 1 & AST 3	Operations/Administration

### **Benchmarking against previous year results**

<b>Job Type (sub) category</b>	<b>Year N-1 (%)</b>	<b>End 2014 (%)</b>	<b>2014 European Commission results</b>
<b>Administrative support and Coordination</b>	N/A	22	22.1
Administrative Support	N/A	17.2	
Coordination	N/A	4.7	
<b>Operational</b>	N/A	72.2	54.5
General operational	N/A	21.5	
Programme management	N/A	42.6	
Top level Operational Coord	N/A	3.7	
Evaluation & Impact assessment	N/A	4.4	
<b>Neutral</b>	N/A	5.8	19.8
Finance	N/A	5.5	
Control	N/A	0.3	

## **2.5 Assessment by management**

As required by ECHA Financial Regulation, the Authorising Officer performed an assessment of the effectiveness and efficiency of the internal control system, based on the ECHA Integrated Management Standards (Annex III).

In addition, and in order to fulfil the requirements of the Quality management standard ISO 9001:2008, a Management Review meeting took place on 12 February 2015. A number of surveys, reports, audit results, non-conformities and other sources of information were analysed in order to draw conclusions.

The Management Review focused in particular on how the Integrated Management System of the Agency – now incorporating an ISO 9001:2008 certified Quality Management System – could be used to improve not only quality and compliance but also efficiency, in the context of more severe resource constraints being set for the Agency than in the past. In this regard the assessment of internal controls acknowledged their effectiveness and yet reinforced the commitment of the Agency to pursuing further improvements on two of the building blocks.

The overall conclusion of the Management Review was to continue with the initiatives under the Efficiency programme (see point 3.3.), which is expected to offer further opportunities for streamlining controls and overall improving the efficiency of ECHA Management system.

The first building block of ECHA Integrated Management Standards, "Governance", was considered well-functioning and no new actions are needed in addition to the ones in progress stemming from staff survey conducted in 2013 and stakeholder surveys conducted in 2013 and 2014.

With regard to the second building block covering strategy, planning and risk management, the Management acknowledged the good work done with regard to defining the models and measuring the progress towards achievement of the four strategic objectives. The 4th strategic objective was proposed as a potential quality objective. Despite the fact that the building block is effectively functioning, further progress is needed to improve the efficiency of the internal controls. As a priority for 2015, Management pointed out the need for promotion of a risk attitude based on cost-benefit analysis and critical evaluation of the control level needed for different stages of decision-making.

The third building block "Operations and operational structure" was reviewed with the conclusion that it is effectively functioning and no new actions are needed, besides the ones already included in the action plan responding to ISO 9001:2008 audit recommendations. Some of those actions address process design, process indicators and opportunities for process streamlining.

The fourth building block "Evaluation and improvement", was considered a priority for 2015 from the point of view of increasing its efficiency. A number of improvement opportunities have been identified in particular in the area of monitoring and measurement. To address those in a structured way, and in order to ensure consistency between planning, reporting and allocation of resources, a feasibility study on the planning and reporting practices of the Agency was launched in 2014. The results of the study and the subsequent tools development are expected to help streamlining and automating the existing planning, monitoring and measurement practices.

## **2.6 Budget implementation tasks entrusted to other services and entities**

**Not applicable**

## **2.7 Assessment of audit results during the reporting year<sup>3</sup>**

All "very important" audit recommendations were followed up as high priority by the Management.

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<sup>3</sup> The results of ISO 9001:2008 certification audit have been taken into account in the assessment of the Agency's compliance with the Integrated Management Standards (Annex III).

### 2.7.1 Internal Audit Service (IAS)

According to ECHA's Financial Regulation, the Internal Auditor for ECHA is the Internal Auditor of the European Commission (IAS). The IAS performed an audit on "Applications for authorisation" in 2014 to assess and provide an independent assurance whether the management and internal control systems to govern the process of Applications for authorisation are adequate and effective enough to ensure that the applications can be processed within the stipulated timelines. Based on the results of the audit, IAS raised five "important" recommendations, which demonstrates the high state of maturity of this process. No "critical" or "very important" recommendations were issued.

An action plan has been developed in response to the IAS's recommendations.

### 2.7.2 Internal Audit Capability (IAC)

In line with the ECHA Financial Regulation (FR) art. 84 and the relevant Integrated Management Standards of the Agency, the local "Internal Audit Capability" (IAC), as a permanent resource, adds value by providing the Executive Director with additional assurance and consulting activities. In 2014, the IAC carried out assurance audits on Confidentiality claim verification; and Staff training and development as well as a consultative audit on Biocides processes.

#### Confidentiality claim verification

- Scope: To assess and provide reasonable assurance on the regularity and the quality of internal control systems applied as well as efficiency and effectiveness of the Confidentiality claim verification –process
- Three "very important" recommendations:
  - Start dissemination of rejected confidential claims and accepted public names
  - Define all types of process records in the IQMS process documents. Ensure an easy retrieval of all process records. Finalise a filing plan according to the process approach.
  - Use the new data to be collected in 2014 to track initiation and completion dates of confidentiality claim verifications and establish a performance indicator. Monitor compliance with the performance indicator.

ECHA management developed an action plan to respond to the recommendations of the IAC. IAC believes that the action plan is adequate.

#### Staff training and development

- Scope: The main objective of this audit is to assess and provide reasonable assurance on the regularity and the quality of internal control systems applied as well as efficiency and effectiveness of the Staff training and development.
- Two "very important" recommendations:
  - Implement the ECHA-level annual learning and development plan by compiling identified, approved/prioritised individual and group training needs with the available budget.
  - Finish the definition of all types of process records in the IQMS process documents. Finalise a filing plan according to the process approach. Start

recording all training applications according to the document and record management rules of ECHA.

ECHA management developed an action plan to respond to the recommendations of the IAC. IAC believes that the action plan is adequate.

#### Consultative audit on Biocides processes

- Scope: To provide recommendations to support the development of the Biocides processes. The emphasis will be in assessing the processes, resource management and planning/monitoring measures in particular to ensure efficiency and effectiveness.
  - The main recommendations cover the areas of public consultation, general commenting rounds, BPC plenaries, support to the evaluating competent authorities, manuals of principles /operational decisions, consistent working methods, verification tasks, quality control, planning and monitoring, as well as document and record management.

ECHA management is currently preparing an action plan to respond to the recommendations of the IAC. IAC will assess the adequacy of the action plan.

#### Internal Quality audits

In view of ECHA's preparations for the ISO 9001:2008 certification audit, internal quality audits were planned together with IAC audits in a common annual internal audit programme which was executed in 2014. The internal quality audits complemented the IAC audits to avoid duplication of efforts. The main findings of the quality audits relate to the assessment of the training effectiveness, information management and data analysis and evaluation. Actions to address those findings were agreed and helped the Agency to prepare for ISO 9001:2008 certification audit conducted in November 2014.

#### Outsourced assessment:

The IAC annual audit plan 2014 included a third party assessment of security and business continuity controls implemented by the Contractor in the outsourced data centre operations of ECHA.

The assessment included a high level analysis of the security and business continuity risks related to ECHA data centre outsourcing operations, in particular focusing on ECHA's specific policy/regulatory framework. Furthermore, a compliance validation of the security and business continuity arrangements set-up and operated by the external service provider was performed against the requirements detailed in ECHA's datacentre outsourcing services Framework Contract and in a selected subset of Specific Contracts.

The final assessment report gave a series of recommendations on areas in which the contractual requirements are not fully met (e.g. User Access Management and Security governance structures) and longer term recommendations to be taken into account as part of continuous improvement and/or in the future re-tendering of the services.

The external service provider is currently finalising an action plan to respond to the recommendations.

### **2.7.3 European Court of Auditors (ECA)**

The European Court of Auditors, as the Agency's external auditor, performed an audit in October 2014. According to the EU Financial Regulation's Article 208 (4) an independent

external audit firm shall verify the annual accounts of the Agency. ECHA launched a call for tender for the external audit services within the DG BUDG framework contract in September and the contract was signed with Littlejohn LLP. The external audit will be carried out on 9-17 March 2015 by Littlejohn LLP who will report to the European Court of Auditors by 31 March 2015. In accordance with the Article 99 (1) of the Agency's Financial Regulation, the European Court of Auditors shall make its observations on the provisional accounts by 1 June 2015 and shall be attached to the final accounts to be established by 1 July 2015.

## **2.8 Follow up of audit plans, audits and recommendations**

### **European Court of Auditors (ECA)**

All observations from ECA's audit on the annual accounts of ECHA for year 2013 are closed. The observation with regard to limiting the assurance to the field of competences of the Agency has been taken into account in the current CAAR as well (see Annex IV).

There is one on-going observation from the autumn 2014 audit mission: "The Agency should take account of the General Court's decision on administrative charges and assess whether this has also consequences for the other administrative charges collected." In response to it, ECHA proposed a change in the administrative charge to the Management Board in December 2014 and is now awaiting the Commission's opinion.

### **Internal Audit Service (IAS)**

The IAS closed all the outstanding actions from the 2013 Committees Management in the European Chemicals Agency audit.

### **Internal Audit Capability (IAC)**

IAC conducted three follow-up audits to verify the implementation of the action plans.

The following remaining "very important" recommendation is pending from audit on "IQMS Process documentation":

- Ensuring effective control measures over rights of access in order to prevent any access, any elimination, any alteration and unauthorised moving of documents, files, metadata and stages of the procedure in the Dossier Evaluation Process (DEP) tool.

The following remaining "very important" recommendation is pending from audit on "Forum secretariat"

- Ensure compliance with Executive Director's decision as of 19.6.2014 on Use of CIRCA-BC for Handling Restricted and Highly Restricted Information when granting access rights to Forum, its working group members and advisers.

The following remaining "very important" recommendations are pending from audit on Document and record management and Classification of documents and data protection:

- Filing plans of 12 Units to be implemented in ECHA's recognised document management systems by Q2/2015.
- Proper commenting, approving and storing of records and other process documents in ECHA's recognised document management systems to be ensured.

ECHA continues active follow-up of the recommendations.

## 2.9 Follow up of observations from the Discharge authority

ECHA reported on the follow-up of the observations made by the discharge authority for 2013 in its annual report under Article 110 of the Financial Regulation.

The report is publicly available at:

<http://www.europarl.europa.eu/document/activities/cont/201410/20141016ATT91232/20141016ATT91232EN.pdf>. The report has been also submitted to the Management Board in December 2014.

The report explains that most of the recommendations have been addressed. Actions are still ongoing in the areas of further reducing the carryover of budgetary appropriations to the following financial year and further enhancing the Agency's communication to citizen and the general public.

## 2.10 External evaluations (where relevant)

**Not applicable**

## PART III. ASSESSMENT OF THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEMS

### 3.1 Risk Management

In accordance with the ED decision 29/2010 on Risk Management in ECHA, an annual risk assessment exercise was conducted in 2013 order to identify, assess and manage the potential events that could put at risk the achievement of the objectives defined in the annual Work Programme 2014. The exercise is an integral part of the Work Programme preparation. The Senior Management followed up the implementation and reviewed the effectiveness of the risk mitigation measures on a quarterly basis during 2014.

Based on this assessment, ECHA's management identified five main risks which were included in the corporate Risk Register. The Senior Management also agreed that all these risks should be reduced through specific actions that were described in the action plan relating to the Risk Register.

Regular follow-up of the actions was undertaken during the year. In the last follow-up done in the beginning of 2015, the Management concluded that the actions taken to mitigate the risks have been implemented according to the plan, have proved to be cost-effective and have not lead to major secondary risks.

Among the most important actions completed in order to mitigate the Biocides and PIC-related risks are a number of IT developments that have ensured the smooth entry into force of the PIC regulation and smooth functioning of the Biocides process. The risks with regard to balancing the uncertain Biocides income with the resources needs have been tackled through scenario planning and fall-back plans, however those still remain high for the coming years. Resource issues in the Member State Competent Authority (MSCA) at a time of introducing a new and complex Regulation to deal with, have resulted in a lower number of adopted opinions under the Review Programme for Biocides (34 out of the initially forecasted 50 opinions were adopted in 2014).

Clear scope management, projects prioritisation and efficiency focus has been the key to handle multiple IT projects in order to avoid causing delays in implementation.

Implementation of Roadmap 2020 has progressed in accordance with the plan due to the enhanced cooperation with MSCA via exposure networks, expert groups and common screening approach - 87 substances are subject to Risk Management Option Analyses (RMOAs) and documented in Public Activities Coordination Tool (PACT) in ECHA website. An increased level of security has been achieved via integrating security features into newly developed IT tools, unified solutions for ECHA and MSCA and proper formalisation.

In line with Article 30 of ECHA FR, risk management expanded to process level through the development of a "Methodology for risk assessment and cost-benefit analysis at process level" and its implementation in the scope of the Efficiency programme.

### 3.1.1 Prevention of Conflicts of Interest

#### *General*

The policy concerning the management of potential conflicts of interest, first adopted by the Management Board in September 2011, has been updated in March 2014 based on the experience gained over the years and the novelties brought by the adoption of several important implementing rules. At the same time, ECHA's policy was brought in line with the Commission's Guidelines for decentralised agencies on the prevention and management of conflicts of interest.

Also the guidance for filling in the declaration of interest was reviewed and a new electronic tool for the submission of the annual declarations was taken into use for the staff of the Agency. Induction training for newcomers and reminder training for existing staff gave clarity on their duties in this field.

#### *Implementation*

In its policy, ECHA has defined that all members of ECHA bodies and all staff members submit annually a declaration of interest to the Secretariat. The declarations of the members of the ECHA bodies and of the ECHA managers are published on the ECHA website for transparency purposes. This current practice was further institutionalised in a paper on ECHA's Approach to Transparency adopted by the Agency's Management Board (MB/61/2014).

On the basis of its Procedure for Prevention and Management of potential Conflicts of Interest, ECHA has implemented an approach which involves a systematic check for potential conflicts before assigning tasks to *staff members*. Based on a thorough risk assessment of its activities, the Agency has identified the processes and sub-process that require (conflict of) interest management. For more than 30 processes, sub-processes or process steps conflict of interest checks are performed, including the main operational processes of the Agency, as well as important administrative processes such as procurement and selection procedures. In all of these processes a review of the annual declaration of interest is performed by the process owner each time a task is assigned to a staff member, while in some sensitive processes this is complemented with a case-specific no-interest declaration by the staff member. In case of a potential conflict the case is assigned to a different staff member. The approach is documented in detailed work instructions and guidance is available to the interest managers to deal with individual cases. As a result, no actual case of a conflict of interest has been identified in 2014. A new module was developed and implemented into the main case management tool to allow such conflict of interest checks to take place electronically in the future.

At the time of their appointment all *members of the ECHA bodies* are assessed against the eligibility criteria agreed upon by the Management Board. Once they take up their function

their annual declaration of interest is reviewed by the respective chair and published on the ECHA website. Before each meeting specific declarations with regard to the items on the agenda are collected and documented in the (publicly available) minutes together with the mitigating measures imposed. As the large majority of the members of the ECHA bodies are Member State public officials, most conflicts of interest declared by the members concerned involvement in the preparation of a dossier submitted by their Member State Competent Authority. In all such cases, the members concerned were considered not to be in a position to participate to the voting on such dossiers.

#### *Post-employment*

When leaving the service of the Agency members of staff have to sign a declaration related to post-employment duties. There were 28 staff members who left ECHA in 2014: five of them went to work for another EU institution, body or agency and one for an inter-governmental organisation. Five staff members left to the private sector and in three of these cases, the Agency saw it necessary to impose specific conditions before authorising the new employment (none of which concerned Senior Management posts). In the remaining cases (17), the departure was due to the end of contract, unemployment after resignation or retirement. No breach of trust or disciplinary procedure was initiated in the area of conflict of interest management.

### **3.1.2 Data protection**

While earlier years were mainly dedicated to putting in place the necessary building blocks for a compliant Data Protection 'system' (a complete Data Protection register, all 'sensitive' processes prior checked with the European Data Protection Supervisor (EDPS) etc.), in 2014 the Data Protection Officer (DPO) was able to put the focus on his main advisory role. Several awareness actions were organised and training of staff also got the necessary attention.

Four new notifications were added to the Data Protection register and a review exercise of notifications older than two years was started. In follow-up to prior checking notifications sent by ECHA's DPO, the EDPS issued opinions on the following four topics: processing of personal data related to telework, conflicts of interest management, contract management and medical data. All these cases were closed by the EDPS as satisfactory as ECHA had implemented all of its recommendations.

Follow-up was also given to audits carried out in cooperation with the Internal Audit Capacity (IAC) in 2012 (Data Protection audit of the selection and recruitment process) and 2013 (Data Protection audit of the video-surveillance system). The controllers were invited to implement the action plans agreed, which was completed for the latter audit on the CCTV system, while for the former audit a few recommendations remained pending.

### **3.1.3 Security and business continuity**

Security has been following in 2014 the multi-annual action plan, based on an assessment of the risks and the existing measures. In order to ensure that staff are well aware of security arrangements, most of ECHA staff passed a mandatory e-learning course "Security at ECHA".

For the ensuring business continuity all business continuity plans for critical processes were updated and capability to handle crisis situations was tested by crisis exercise in December 2014.

An outsourced audit was conducted on the outsourced data centre operations of ECHA. Findings of that audit will help and improve security and business continuity in the future (see point 2.7.2.).

During year 2014 all security incidents were managed, and corrective actions taken when needed, including communication to the management and staff.

### **3.1.4 Fraud prevention**

The Agency's internal control systems are designed with fraud prevention embedded, with emphasis on risky areas such as financial transactions, procurement and selections.

ECHA's Code of Good Administrative Behaviour is well communicated to all staff members. MB decision 30/2009 as of 23 April 2009 stipulates the terms and conditions for internal investigations in relation to the prevention of fraud, corruption and any illegal activity detrimental to the Communities' interests.

In line with the Common Approach for decentralised agencies which requires all agencies to put in place an Anti-Fraud Strategy, ECHA's Management Board adopted an Anti-Fraud Strategy for the Agency in December 2014. The Strategy covers the years 2015-2016 and contains an action plan with specific actions to be implemented in that time period. The internal Fraud Risk Assessment exercise that preceded the adoption of the Strategy revealed however that the risk profile of the Agency is rather low and therefore the main aim of the Strategy is to develop a widespread anti-fraud culture in ECHA, with a focus on awareness raising.

## **3.2 Compliance with and effectiveness of the implementation of ECHA Integrated Management Standards**

The Management Board adopted the ECHA Integrated Management Standards, replacing the ECHA Quality and Internal Control Standards on 17 December 2013. A first assessment of ECHA's Management system against the requirements of the standards took place and was reflected in the Annual Activity Report of the Authorising Officer for 2013. In March 2014, a new ECHA Financial Regulation entered into force bringing a number of new provisions focusing on elimination of multiple controls and improving the cost-benefit ratios of controls.

Following these new provisions, the Authorising Officer focused both on effectiveness and efficiency in assessing the functioning of the control systems against the requirements of the ECHA Integrated Management Standards for 2014.

A preliminary assessment was performed by the Directors based on surveys, audit results, non-conformities, risks, opportunities, reports and concluded at the Management review (see point 2.5).

The Authorising Officer performed his final assessment of the Agency's system compliance with ECHA Integrated Management Standards (available in Annex III) taking into account the Directors' preliminary assessment.

## **3.3 Specific efforts to improve the economy and efficiency of financial and non-financial activities**

The work on setting the foundations for an effective and efficient Management system started in 2008 with the commitment of the Management Board to implement a system compliant with ISO 9001:2008 Quality Management Standard. In 2014, ECHA Management

system was audited by Lloyd's Register Quality Assurance and the Agency was certified against the ISO 9001:2008 Standard.

In 2014, ECHA continued building the foundations for its 4th Strategic objective<sup>4</sup> by setting up the governance of the Efficiency Development Programme and starting its implementation.

The efficiency programme is implemented through waves of projects ("pilots"), delivering short- to mid-term improvement in specific areas of ECHA's operations. Each pilot project addresses the improvement scope in two ways:

1. By driving the direct implementation of small improvements that have been identified already, which can deliver immediate value and improve the capability to drive bigger changes
2. By analysing the performance and issues in the assigned process area, looking for root causes, designing a future state and implementing actions to achieve it

The first two projects whose implementation started in 2014 are "Procurement, contract management and financial workflows" and "Evaluation". A number of small improvements were identified in both projects, some of which were implemented. An in-depth analysis of the as-is situation was performed, and different alternatives considered for the to-be state on the basis of risk assessment and cost-benefit analysis. The re-design principles in both projects aim at process simplification, e.g. cutting out low-risk steps, merging steps, limiting actors, limiting escalation of decisions thus accelerating the process, while keeping the controls effectiveness.

The models for the measurement of ECHA's strategic objectives were finalised in 2014. The model measuring the achievement of the 4<sup>th</sup> Strategic objectives is based on historical measurement of the final output of the Agency in correlation to the trend of the Agency's resources covering the years 2011-2014. The trend indicates that the Agency's output is increasing faster than its personnel (results are available in the General Report).

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<sup>4</sup> Embracing current and new legislative tasks efficiently and effectively, while adapting to upcoming resource constraints - ECHA Multi-Annual Work Programme 2014-2018

## **PART IV. MANAGEMENT ASSURANCE**

### **4.1. Review of the elements supporting assurance**

No significant weaknesses that may have a potential impact on the declaration of assurance of the Authorising Officer were identified and reported in any of the building blocks (Part I, II and III of this report).

### **4.2 Reservations (where applicable)**

**Not applicable**

### **4.3 Overall conclusion on assurance (where applicable)**

**Not applicable**

### **4.4. Declaration of assurance**

The Declaration of assurance is available in Annex IV.

## **ANNEXES**

<b>Annex I</b>	Establishment plan 2014
<b>Annex II</b>	Budget execution tables
<b>Annex III</b>	Assessment of ECHA Integrated Management standards
<b>Annex IV</b>	Declaration of assurance

## Annex I Establishment Plan 2014

Category and grade	Establishment plan in voted EU Budget 2014				Posts filled - 31 December 2014*				Posts returned to the Budgetary Authority
	TA				TA				TA
	REACH/CLP	Biocides	PIC	TOTAL	REACH/CLP	Biocides	PIC	TOTAL	REACH/CLP
AD 16	0	0	0	0				0	
AD 15	1	0	0	1	1			1	
AD 14	3	0	0	3	3			3	
AD 13	13	1	0	14	6			6	
AD 12	23	2	0	25	13	1		14	
AD 11	28	3	0	31	15	2		17	
AD 10	28	4	0	32	26	2		28	
AD 9	45	7	0	52	42	2		44	
AD 8	50	12	1	63	47	4		51	
AD 7	42	6	0	48	50	3		53	
AD 6	69	4	0	73	67	10		77	1
AD 5	11	0	0	11	37	7	1	45	
<b>Total AD</b>	<b>313</b>	<b>39</b>	<b>1</b>	<b>353</b>	<b>307</b>	<b>31</b>	<b>1</b>	<b>339</b>	<b>1</b>
AST 11	0	0	0	0				0	
AST 10	1	0	0	1				0	
AST 9	7	0	0	7	3			3	
AST 8	9	0	0	9	1			1	1
AST 7	13	1	2	16	6			6	1
AST 6	16	0	0	16	9			9	1
AST 5	25	2	0	27	19	2	1	22	4
AST 4	22	3	0	25	20	2	1	23	2
AST 3	17	3	3	23	45	4	3	52	
AST 2	13	0	0	13	13	1		14	
AST 1	5	0	0	5	10			10	
<b>Total AST</b>	<b>128</b>	<b>9</b>	<b>5</b>	<b>142</b>	<b>126</b>	<b>9</b>	<b>5</b>	<b>140</b>	<b>9</b>
AST/SC 6				0				0	
AST/SC 5				0				0	
AST/SC 4				0				0	
AST/SC 3				0				0	
AST/SC 2				0				0	
AST/SC 1				0				0	
<b>TOTAL AD+AST</b>	<b>441</b>	<b>48</b>	<b>6</b>	<b>495</b>	<b>433</b>	<b>40</b>	<b>6</b>	<b>479</b>	<b>10</b>

	CA				CA			
CA FG IV	19	7	1	27	17	3		20
CA FG III	59	4		63	55	5		60
CA FG II	17	3		20	21	2	1	24
CA FG I	3			3	2			2
<b>Total CA (FTE)</b>	<b>98</b>	<b>14</b>	<b>1</b>	<b>113</b>	<b>95</b>	<b>10</b>	<b>1</b>	<b>106</b>
<b>TOTAL TA+CA</b>	<b>539</b>	<b>62</b>	<b>7</b>	<b>608</b>	<b>528</b>	<b>50</b>	<b>7</b>	<b>585</b>

\* 8 REACH TAs, 1 REACH CA and 1 PIC TA under recruitment

percentage of posts filled on 31 December 2014	
TA posts	97%
CA posts	94%

## Annex II Budget execution tables

*Budget Execution per Chapter / Fund source C1 - Current year appropriations - 2014*

BL	Budget Line Description	Final Available Commitment Appropriations (1)	Executed Commitment Amount (2)	% Committed (2)/(1)	Final Available Payment Appropriations (3)	Executed Payment Amount (4)	% Paid (4)/(3)	Carried over RAL (C8) (2)-(4) except for multiannual budget lines	Cancelled (1)-(2)
A-11	STAFF IN ACTIVE EMPLOYMENT	67 805 642.51	66 333 091.68	97.83%	67 805 642.51	66 333 073.72	97.83%	0.00	1 472 550.83
A-12	MISCELL EXPEND ON STAFF RECRUITMENT AND TRANSFER	918 265.00	838 727.27	91.34%	918 265.00	822 781.25	89.60%	15 946.02	79 537.73
A-13	MISSIONS AND DUTY TRAVEL	50 000.00	45 094.12	90.19%	50 000.00	43 094.12	86.19%	2 000.00	4 905.88
A-14	SOCIO-MEDICAL INFRASTRUCTURE AND SOCIAL WELFARE	2 060 143.00	1 859 611.87	90.27%	2 060 143.00	1 720 863.43	83.53%	138 748.44	200 531.13
A-15	TRAINING	1 250 975.00	1 124 642.63	89.90%	1 250 975.00	952 446.37	76.14%	172 196.26	126 332.37
A-16	EXTERNAL SERVICES	2 298 401.78	2 118 311.23	92.16%	2 298 401.78	1 876 334.36	81.64%	241 976.87	180 090.55
A-17	ENTERTAINMENT AND REPRESENTATION EXPENSES	19 360.00	6 310.00	32.59%	19 360.00	5 539.95	28.62%	770.05	13 050.00
	<b>total Title 1</b>	<b>74 402 787.29</b>	<b>72 325 788.80</b>	<b>97.21%</b>	<b>74 402 787.29</b>	<b>71 754 133.20</b>	<b>96.44%</b>	<b>571 637.64</b>	<b>2 076 998.49</b>
A-20	RENTAL OF BUILDINGS AND ASSOCIATED COSTS	7 741 274.09	7 640 116.97	98.69%	7 741 274.09	7 485 905.08	96.70%	154 211.89	101 157.12
A-21	INFORMATION AND COMMUNICATION TECHNOLOGY	6 260 922.49	6 112 125.19	97.62%	6 260 922.49	4 743 430.64	75.76%	1 368 694.55	148 797.30
A-22	MOVABLE PROPERTY AND ASSOCIATED COSTS	365 443.00	287 409.71	78.65%	365 443.00	164 747.09	45.08%	122 662.62	78 033.29
A-23	CURRENT ADMINISTRATIVE EXPENDITURE	453 938.42	328 976.07	72.47%	453 938.42	203 998.51	44.94%	124 977.56	124 962.35
A-25	MEETINGS EXPENDITURE	18 097.00	14 257.37	78.78%	18 097.00	14 067.42	77.73%	189.95	3 839.63
	<b>total Title 2</b>	<b>14 839 675.00</b>	<b>14 382 885.31</b>	<b>96.92%</b>	<b>14 839 675.00</b>	<b>12 612 148.74</b>	<b>84.99%</b>	<b>1 770 736.57</b>	<b>456 789.69</b>
B3-0	REACH	22 184 910.00	21 439 119.17	96.64%	22 184 910.00	13 254 636.06	59.75%	8 184 483.11	745 790.83
B3-1	MULTI-ANNUAL ACTIVITIES	115 200.00	114 521.37	99.41%	10 612.68	10 612.68	100.00%	0.00	678.63
B3-8	INTERNATIONAL ACTIVITIES	1 333 565.00	1 333 538.81	100.00%	385 877.32	385 635.00	99.94%	0.00	26.19
	<b>total Title 3</b>	<b>23 633 675.00</b>	<b>22 887 179.35</b>	<b>96.84%</b>	<b>22 581 400.00</b>	<b>13 650 883.74</b>	<b>60.45%</b>	<b>8 184 483.11</b>	<b>746 495.65</b>
B4-0	BIOCIDES	747 937.49	708 970.20	94.79%	747 937.49	566 147.07	75.69%	142 823.13	38 967.29
	<b>total Title 4</b>	<b>747 937.49</b>	<b>708 970.20</b>	<b>94.79%</b>	<b>747 937.49</b>	<b>566 147.07</b>	<b>75.69%</b>	<b>142 823.13</b>	<b>38 967.29</b>
B5-0	PIC	488 118.22	470 032.13	96.29%	488 118.22	301 500.32	61.77%	168 531.81	18 086.09
	<b>total Title 5</b>	<b>488 118.22</b>	<b>470 032.13</b>	<b>96.29%</b>	<b>488 118.22</b>	<b>301 500.32</b>	<b>61.77%</b>	<b>168 531.81</b>	<b>18 086.09</b>
	<b>total C1</b>	<b>114 112 193.00</b>	<b>110 774 855.79</b>	<b>97.08%</b>	<b>113 059 918.00</b>	<b>98 884 813.07</b>	<b>87.46%</b>	<b>10 838 212.26</b>	<b>3 337 337.21</b>

**Budget Execution of Operational Titles per Budget line / Fund source C1 - Current year appropriations - 2014**

BL	Budget Line Description	Voted Budget Payment Appropriations	Amending budgets Payment Appropriations	Transfers	Final Available Commitment Appropriations (1)	Executed Commitment Amount (2)	% Committed (2)/(1)	Final Available Payment Appropriations (3)	Executed Payment Amount (4)	% Paid (4)/(3)	Carried over RAL (C8) (2)-(-4)	Carry over %	Cancelled (1)-(2)	Cancelled %
<b>REACH</b>														
B03003	Registration, datasharing and dissemination	835 960.00	-50 000.00	-300 000.00	485 960.00	456 372.88	96.11%	485 960.00	239 457.23	69.68%	216 915.65	47.53%	29 587.12	6.09%
B03004	Evaluation	2 816 140.00	-55 000.00	-500 000.00	2 261 140.00	2 239 089.50	99.88%	2 261 140.00	336 180.71	12.94%	1 902 908.79	84.99%	22 050.50	0.98%
B03005	Authorisations and restrictions	917 300.00	-170 000.00	-245 490.00	501 810.00	489 557.34	98.68%	501 810.00	263 443.80	40.78%	226 113.54	46.19%	12 252.66	2.44%
B03006	Classification and labelling	96 000.00	-20 000.00	-25 000.00	51 000.00	44 144.51	97.72%	51 000.00	44 144.51	70.90%	0.00	0.00%	6 855.49	13.44%
B03007	Advice, assistance through guidance and helpdesk	240 885.00	-60 000.00	0.00	180 885.00	136 152.95	95.33%	180 885.00	132 426.90	95.33%	3 726.05	2.74%	44 732.05	24.73%
B03008	Scientific IT tools	12 838 915.00	-100 000.00	-560 000.00	12 178 915.00	11 916 155.13	98.11%	12 178 915.00	7 595 005.23	59.83%	4 321 149.90	36.26%	262 759.87	2.16%
B03009	Scientific technic advice to EU institut and bodies	401 450.00	-230 000.00	0.00	171 450.00	145 076.30	95.46%	171 450.00	118 982.66	82.04%	26 093.64	17.99%	26 373.70	15.38%
B03011	Committees and Forum	1 567 815.00	0.00	0.00	1 567 815.00	1 495 012.71	92.88%	1 567 815.00	947 077.62	67.29%	547 935.09	36.65%	72 802.29	4.64%
B03012	Board of appeal	115 500.00	0.00	0.00	115 500.00	65 620.97	89.80%	115 500.00	24 820.97	41.41%	40 800.00	62.18%	49 879.03	43.19%
B03013	Communications including translations	3 225 500.00	-320 000.00	0.00	2 905 500.00	2 872 315.71	97.99%	2 905 500.00	2 254 649.10	66.59%	617 666.61	21.50%	33 184.29	1.14%
B03022	Management Board and management of the Agency	1 876 905.00	-600 000.00	0.00	1 276 905.00	1 091 591.17	96.29%	1 276 905.00	829 338.78	61.60%	262 252.39	24.02%	185 313.83	14.51%
B03030	Missions	488 030.00	0.00	0.00	488 030.00	488 030.00	81.32%	488 030.00	469 108.55	69.87%	18 921.45	3.88%	0.00	0.00%
B03111	Committees and Forum (Multiannual)	0.00	0.00	10 612.68	115 200.00	114 521.37	100.00%	10 612.68	10 612.68	0.00%	0.00	0.00%	678.63	6.39%
B03801	Cooperation with internat organisat for IT program	400 000.00	-741 000.00	726 877.32	1 333 565.00	1 333 538.81	63.66%	385 877.32	385 635.00	90.95%	0.00	0.00%	26.19	0.01%
		<b>25 820 400.00</b>	<b>-2 346 000.00</b>	<b>-893 000.00</b>	<b>23 633 675.00</b>	<b>22 887 179.35</b>	<b>96.84%</b>	<b>22 581 400.00</b>	<b>13 650 883.74</b>	<b>60.45%</b>	<b>8 184 483.11</b>	<b>35.76%</b>	<b>746 495.65</b>	<b>3.31%</b>
<b>BIOCID E</b>														
B04007	Advice assistance through guidance and helpdesk	93 690.00	-45 000.00	-296.00	48 394.00	46 685.01	95.80%	48 394.00	46 685.01	95.80%	0.00	0.00%	1 708.99	3.53%
B04008	Scientific IT tools	369 740.00	-230 510.00	-545.00	138 685.00	138 056.63	99.94%	138 685.00	116 056.15	19.35%	22 000.48	15.94%	628.37	0.45%
B04009	Scientific technic advice to EU institut and bodies	70 000.00	-40 050.00	0.00	29 950.00	29 950.00	100.00%	29 950.00	14 950.00	80.58%	15 000.00	50.08%	0.00	0.00%
B04011	Biocidal products Committee and Rapporteurs	560 735.00	-349 880.00	-3 212.00	207 643.00	199 837.77	97.70%	207 643.00	175 360.59	63.27%	24 477.18	12.25%	7 805.23	3.76%
B04012	Board of Appeal	15 000.00	-9 000.00	0.00	6 000.00	3 844.23	85.08%	6 000.00	2 544.23	85.08%	1 300.00	38.82%	2 155.77	35.93%
B04013	Communications including Translations	351 935.00	-229 330.00	28 515.49	151 120.49	150 086.05	97.58%	151 120.49	88 282.44	55.03%	61 803.61	41.18%	1 034.44	0.68%
B04022	Management Board and management of the Agency	144 885.00	-49 230.00	-5 910.00	89 745.00	87 707.89	88.10%	89 745.00	76 366.03	68.74%	11 341.86	12.93%	2 037.11	2.27%
B04030	Missions	103 900.00	-27 000.00	500.00	76 400.00	52 802.62	75.98%	76 400.00	45 902.62	64.47%	6 900.00	13.07%	23 597.38	30.89%
		<b>1 709 885.00</b>	<b>-980 000.00</b>	<b>18 052.49</b>	<b>747 937.49</b>	<b>708 970.20</b>	<b>94.79%</b>	<b>747 937.49</b>	<b>566 147.07</b>	<b>75.69%</b>	<b>142 823.13</b>	<b>20.15%</b>	<b>38 967.29</b>	<b>5.21%</b>
<b>PIC</b>														
B05000	Studies and consultants	13 790.00	-1 500.00	50 510.50	49 010.50	48 950.98	0.00%	49 010.50	26 429.13	0.00%	22 521.85	46.01%	59.52	0.12%
B05007	Advice assistance through guidance and helpdesk	348 800.00	-5 000.00	0.00	8 790.00	8 027.95	0.00%	8 790.00	8 027.95	0.00%	0.00	0.00%	762.05	8.67%
B05008	Scientific IT tools	97 100.00	0.00	-3 686.00	345 114.00	335 217.48	99.98%	345 114.00	191 460.32	2.08%	143 757.16	42.88%	9 896.52	2.87%
B05011	Meetings with the DNAs and experts on PIC implem	45 509.00	-11 500.00	-30 980.78	54 619.22	54 199.21	94.83%	54 619.22	54 199.21	94.83%	0.00	0.00%	420.01	0.77%
B05013	Communications including Translations	31 900.00	0.00	-32 824.50	12 684.50	12 362.04	78.34%	12 684.50	10 109.24	77.90%	2 252.80	18.22%	322.46	2.54%
B05030	Missions	p.m.	0.00	-14 000.00	17 900.00	11 274.47	86.65%	17 900.00	11 274.47	67.86%	0.00	0.00%	6 625.53	37.01%
		<b>537 099.00</b>	<b>-18 000.00</b>	<b>-30 980.78</b>	<b>488 118.22</b>	<b>470 032.13</b>	<b>96.29%</b>	<b>488 118.22</b>	<b>301 500.32</b>	<b>61.77%</b>	<b>168 531.81</b>	<b>35.86%</b>	<b>18 086.09</b>	<b>3.71%</b>

**Budget Execution per Title / Fund source C8 - Appropriations carried over - 2014**

Title	Budget Line Description	Commitments Appropriations	Commitments Established	Com %	Payments Appropriations	Payments Executed	Pay%	Cancelled
Title 1	STAFF	688 238.95	688 238.95	100.00%	688 238.95	579 041.11	84.13%	109 197.84
Title 2	BUILDING, EQUIPMENT AND MISCELL. OPER EXPEND	1 956 381.54	1 956 381.54	100.00%	1 956 381.54	1 850 392.76	94.58%	105 988.78
Title 3	OPERATIONAL EXPENDITURE - REACH	7 755 935.50	7 755 935.50	100.00%	7 755 935.50	7 487 746.76	96.54%	268 188.74
Title 4	OPERATIONAL EXPENDITURE - BIOCID E	1 794 876.81	1 794 876.81	100.00%	1 794 876.81	1 769 432.27	98.58%	25 444.54
Title 5	OPERATIONAL EXPENDITURE - PIC	1 036 614.21	1 036 614.21	100.00%	1 036 614.21	1 028 764.30	99.24%	7 849.91
	<b>total C8</b>	<b>13 232 047.01</b>	<b>13 232 047.01</b>	<b>100.00%</b>	<b>13 232 047.01</b>	<b>12 715 377.20</b>	<b>96.10%</b>	<b>516 669.81</b>

**Budget Execution / Fund source C4, C5 and R0 - Assigned revenue – 2014**

BL	Description	Commitments Appropriations	Commitments Established	Com %	Payments Appropriations	Payments Executed	Pay%	Carried over commitment appropriations	Carried over payment appropriations
A01100	Basic salaries	22 290.36	22 290.36	100.00%	22 290.36	22 290.36	100.00%	0.00	0.00
A01141	Travel expenses for annual leave	1 385.00	1 385.00	100.00%	1 385.00	1 385.00	100.00%	0.00	0.00
A01500	Further training and language courses for staff	100.00	100.00	100.00%	100.00	100.00	100.00%	0.00	0.00
A02000	Rental costs	13 800.00	0.00	0.00%	13 800.00	0.00	0.00%	13 800.00	13 800.00
A02250	Documentation and library expenditure	375.49	0.00	0.00%	375.49	0.00	0.00%	375.49	375.49
A02330	Legal expenses	6 500.00	6 500.00	100.00%	6 500.00	0.00	0.00%	0.00	6 500.00
A02350	Miscellaneous insurance	45.36	0.00	0.00%	45.36	0.00	0.00%	45.36	45.36
B03011	Committees and Forum	109.00	109.00	100.00%	109.00	109.00	100.00%	0.00	0.00
B03022	Management Board and management of the Agency	1 038.56	0.00	0.00%	1 038.56	0.00	0.00%	1 038.56	1 038.56
B03030	Missions	1 366.69	0.00	0.00%	1 366.69	0.00	0.00%	1 366.69	1 366.69
B04030	Missions	321.97	0.00	0.00%	321.97	0.00	0.00%	321.97	321.97
	<b>Total C4</b>	<b>47 332.43</b>	<b>30 384.36</b>	<b>64.19%</b>	<b>47 332.43</b>	<b>23 884.36</b>	<b>50.46%</b>	<b>16 948.07</b>	<b>23 448.07</b>
BL	Description	Commitments Appropriations	Commitments Established	Com %	Payments Appropriations	Payments Executed	Pay%	Carried over commitment appropriations	Carried over payment appropriations
A02250	Documentation and library expenditure	111.50	111.50	100.00%	111.50	111.50	100.00%	0.00	0.00
A02330	Legal expenses	1 388.58	1 388.58	100.00%	1 388.58	0.00	0.00%	0.00	1 388.58
B03022	Management Board and management of the Agency	370.80	0.00	0.00%	370.80	0.00	0.00%	370.80	370.80
	<b>Total C5</b>	<b>1 870.88</b>	<b>1 500.08</b>	<b>80.18%</b>	<b>1 870.88</b>	<b>111.50</b>	<b>5.96%</b>	<b>370.80</b>	<b>1 759.38</b>
BL	Description	Commitments Appropriations	Commitments Established	Com %	Payments Appropriations	Payments Executed	Pay%	Carried over commitment appropriations	Carried over payment appropriations
A01113	Seconded national experts	39 025.17	39 025.16	100.00%	39 025.17	39 025.16	100.00%	0.01	0.01
B03902	IPA programme agr. 2012/291-934	129 701.41	101 792.71	78.48%	129 701.41	101 792.71	78.48%	27 908.70	27 908.70
B04900	BIOCIDES programme	1 364.27	1 364.27	100.00%	1 364.27	1 364.27	100.00%	0.00	0.00
B04901	Preparatory work BPR 13/3938 Norwegian Env Ministr	177 057.00	0.00	0.00%	177 057.00	0.00	0.00%	177 057.00	177 057.00
B09000	Provision for Future expenditure - REACH	82 869 889.25	0.00	0.00%	82 869 889.25	0.00	0.00%	82 869 889.25	82 869 889.25
	<b>Total R0</b>	<b>83 217 037.10</b>	<b>142 182.14</b>	<b>0.17%</b>	<b>83 217 037.10</b>	<b>142 182.14</b>	<b>0.17%</b>	<b>83 074 854.96</b>	<b>83 074 854.96</b>

## Annex III

## Integrated Management Standards – Assessment

## 1. GOVERNANCE

## 1.1 Mission

The Agency's fundamental mission is clearly defined in an up-to-date and concise mission statement developed from the perspective of its stakeholders.

Requirement	Is the requirement fulfilled – Assessment 2013	Is the requirement fulfilled - Assessment 2014
<p><b>Senior Management shall define the Agency's Mission from the perspective of the Agency's Stakeholders.</b></p>	<p>Yes</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>PRO-0042 Organization and approach to management</i></p> <p><i>POL-00011 Quality Policy Statement</i></p> <p><i>Annual and multiannual working programmes</i></p> <p><i>Quality manual (under preparation)</i></p>	<p>Yes</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>ECHA Integrated Management System Manual (MAN-0001)</i></p> <p><i>ECHA's Quality Policy (POL-0001)</i></p> <p><i>Annual and multiannual working programmes</i></p>
<p><b>The Mission shall be communicated and explained to the entire organisation and to its Stakeholders.</b></p>	<p>Yes</p> <p>The Mission has been actively shared with and communicated to staff and stakeholders and is available to the general public.</p> <p>According to the Staff survey 2013, 81% of the staff believe in ECHA's mission and 74% can see how their work contributes to the corporate Mission.</p>	<p>Yes</p> <p>The Mission has been actively shared with and communicated to staff and stakeholders and is available to the general public.</p> <p>Staff is committed to ECHA's mission.</p>

**1.2 Ethical and organizational values**

The Agency's Management and staff members are aware of and share appropriate ethical and organisational values and uphold these through their own behaviour and decision-making.

Requirement	Is the requirement fulfilled – Assessment 2013	Is the requirement fulfilled - Assessment 2014
<p><b>Senior Management shall define the ethical and organisational values it stands by, through an open process of consultation and agreement, involving management, staff and stakeholders.</b></p>	<p>Yes</p> <p>The Agency has defined corporate values and they have been communicated largely, discussed in Unit meetings, published on the information screens.</p> <p>In 2013 specific efforts were made in the field of strengthening the management of Conflicts of Interest and in the area of prevention of harassment. The policy on Conflict of Interest was adopted by the Management Board and demonstrated a good level of implementation.</p> <p>Confidential counsellors were nominated by Senior Management and are available for staff.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>ECHA's Code of Good Administrative Behavior [MB/11/2008]</i></p> <p><i>Management Board policy for managing conflicts of interest [MB/45/2011]</i></p> <p><i>WIN-0105 Prevention of Conflicts of Interest</i></p> <p><i>MB/42/2012/D final Prevention of psychological and sexual harassment in the European Chemicals Agency</i></p>	<p>Yes</p> <p>The Agency has defined corporate values and they have been communicated largely, discussed in Unit meetings, published on the information screens.</p> <p>In 2014, ECHA's Management Board adopted an anti-fraud strategy and an action plan to it, whose implementation is foreseen in 2015-2016.</p> <p>4 new confidential counsellors were trained and nominated, bringing the total number of confidential counsellors to 6 in 2014.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>ECHA's Anti-fraud strategy [MB/60/2014]</i></p> <p><i>ECHA's Code of Good Administrative Behaviour [MB/11/2008]</i></p> <p><i>Management Board policy for managing conflicts of interest [MB/45/2011]</i></p> <p><i>WIN-0105 Prevention of Conflicts of Interest</i></p> <p><i>MB/42/2012/D final Prevention of psychological and sexual harassment in the European Chemicals Agency</i></p>

<p><b>The Agency's management and staff members' behaviour, as well as the procedures and working methods shall be in line with its ethical and organisational values.</b></p>	<p>Mostly</p> <p>According to the Staff survey 2013, 72% of the staff support ECHA's corporate values and 78% feel committed to ECHA.</p> <p>Some progress has to be made towards strengthening an atmosphere of openness and trust.</p>	<p>Mostly</p> <p>In 2014, a Senior and Middle Management Development programme was carried out responding in part to the results from Staff survey 2013.</p>
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### 1.3 Management responsibility

The Agency's management is committed to setting up and implementing a comprehensive management system and standards. Delegation of powers is appropriate to the importance and number of decisions to be taken and the risks involved.

Requirement	Is the requirement fulfilled – Assessment 2013	Is the requirement fulfilled - Assessment 2014
<p><b>The Agency shall have an Integrated Management System combining quality and internal control requirements and ensuring the efficiency and effectiveness of the controls imposed.</b></p>	<p>Mostly</p> <p>ECHA Integrated Management Standards combining quality and internal control elements were adopted by the MB on 17/12/2013.</p> <p>Preparations for ISO 9001: 2008 certification are on-going.</p> <p>The internal controls imposed are effective, however not always efficient (see point 2.2.Risk Management).</p>	<p>Yes</p> <p>In 2014, ECHA received ISO 9001:2008 certification which assesses Management commitment to be at a good level and the Management system to have a very logical concept and clear structure.</p> <p>IAS audit of AARs 2013 of all agencies places ECHA's Management system and standards among the good Agencies' practices.</p> <p>Further efforts were made towards ensuring efficiency of the controls imposed (see point 2.2.Risk Management).</p>

	<p>-----</p> <p><i>Main reference:</i></p> <p><i>Integrated Management Standards [MB 36/2013]</i></p> <p><i>Quality manual (under preparation)</i></p> <p><i>Framework Financial Regulation</i></p> <p><i>Annual Activity Report</i></p>	<p>-----</p> <p><i>Main reference:</i></p> <p><i>Integrated Management Standards [MB 36/2013]</i></p> <p><i>ECHA Integrated Management System Manual (MAN-0001)</i></p> <p><i>ECHA Financial Regulation MB/WP/03/2014</i></p> <p><i>Annual Activity Report 2013</i></p> <p><i>ISO 9001:2008 certificate</i></p>
<p><b>The Agency shall have a system of delegation of powers appropriate to the importance, number and risks of the decisions to be taken.</b></p>	<p>Mostly</p> <p>There is a framework for delegation of powers and specific delegation decisions have been adopted for all Directors in the Agency. Many of them have also further sub-delegated these powers. There is still room for streamlining controls in the delegation system.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>Delegation and sub-delegation register</i></p> <p><i>PRO-0059 Internal decision-making and delegation of power</i></p>	<p>Mostly</p> <p>In 2014, further efforts were made towards using sub-delegation as a means for gaining efficiency where the risk was assessed to be low and the effectiveness of controls preserved. More actions are foreseen in 2015.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>Delegation and sub-delegation register</i></p> <p><i>PRO-0059 Internal decision-making and delegation of power</i></p>

### 1.4 Human Resources Policy

The Agency has competent and efficient staff, provides conditions for staff development and work-life balance and an adequate working environment. The Agency's management has mechanisms to monitor and assess the performance of staff in an equal and transparent manner.

Requirement	Is the requirement fulfilled – Assessment 2013	Is the requirement fulfilled - Assessment 2014
<p><b>The Agency shall have rigorous selection procedures ensuring recruitment of competent staff and provisions ensuring staff development</b></p>	<p>Yes</p> <p>Actions have been taken in 2013 to improve the selection procedures and to retain competent staff. The turnover rate for 2013 is 3.7%.</p> <p>A mechanism for internal mobility of staff has been functioning since 2011. Initiatives to further promote internal mobility, such as expression of interest by staff members have been undertaken.</p> <p>According to the Staff Survey 2013, 51% of the staff believe that there are opportunities for professional development, 59% of the staff feel that they develop in their jobs and 70% consider their work interesting.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>POL-0020 Staff retention policy</i></p> <p><i>PRO-0035 Selection and recruitment of statutory staff (management posts)</i></p> <p><i>PRO-0036 Selection and recruitment of statutory staff (non-management posts)</i></p> <p><i>PRO-0038 Organisation and management of ECHA</i></p>	<p>Yes</p> <p>ECHA's Learning and Development Framework was established in 2014 with the aim of providing a basis to strategically align learning and development needs with the business requirements of ECHA and to design, deliver and evaluate appropriate learning and development interventions to improve organisation performance and staff contribution.</p> <p>ISO 9001:2008 auditors pointed out that ECHA's staff competence is at excellent level.</p> <p>In 2014, ECHA implemented the Commission's system for reclassification of Contract Agents (CAs) which allowed CAs promotion for the first time and which is expected to help reducing the CAs turnover.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>ED/99/2014 Learning and Development Framework</i></p> <p><i>Commission Decision C(2013) 2529 of 03.05.2013</i></p> <p><i>Management Board decision MB/24/2014</i></p> <p><i>POL-0020 Staff retention policy</i></p> <p><i>PRO-0035 Selection and recruitment of statutory</i></p>

	<p><i>staff training</i></p> <p><i>WIN -0158 Publication of Vacancy Notices and the nomination of Selection Committees</i></p> <p><i>WIN- 0157 Coordination of selection procedures for statutory staff (non-management)</i></p>	<p><i>staff (management posts)</i></p> <p><i>PRO-0036 Selection and recruitment of statutory staff (non-management posts)</i></p> <p><i>PRO-0038 Organisation and management of ECHA staff training</i></p> <p><i>WIN -0158 Publication of Vacancy Notices and the nomination of Selection Committees</i></p> <p><i>WIN- 0157 Coordination of selection procedures for statutory staff (non-management)</i></p>
<p><b>Senior Management shall ensure that the staff performance is monitored and assessed in an objective, equal and transparent way.</b></p>	<p>Yes</p> <p>In the context of the performance appraisal system, focus has been given to individual development plans. The system for performance appraisal has been reorganized to ensure a better link between individual and corporate objectives.</p> <p>Guidelines on performance assessment of staff are provided to all Managers.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>PRO-0037 Organisation of performance appraisal exercise</i></p>	<p>Yes</p> <p>In 2014, efforts were made towards mapping Agency's available and needed competences and skills. ECHA's Regulatory Science Strategy was established to define which areas are of importance in regulatory science, how to identify ECHA-level desired and actual competence needs in these areas of importance and how to further develop the ECHA-level capacity where needed.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>ECHA's Regulatory Science Strategy</i></p> <p><i>PRO-0037 Organisation of performance appraisal exercise</i></p>
<p><b>The Agency shall have provisions to ensure a good work-life balance and an adequate working environment for its staff members</b></p>	<p>Mostly</p> <p>There are a number of provisions facilitating work-life balance, such as parental leaves, flexitime</p>	<p>Mostly</p> <p>In 2014, priority has been given to follow up the results of Staff survey 2013, thus enhance the work-life balance and ensure a healthy environment for</p>

	<p>arrangements, paid leave to take care of a sick child.</p> <p>A Health and Wellbeing Committee has been set up in 2012 to monitor and advise on health and wellbeing issues at ECHA.</p> <p>A staff survey is conducted every year since 2011 to measure the staff satisfaction and to detect potential problems.</p> <p>According to the Staff survey 2013, 44% of the staff believe that ECHA provides a safe and healthy environment for staff.</p> <p>Management addresses concerns raised by staff with regard to the air quality at ECHA premises.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>ED/74/2012 as of 26/04/2012 Terms of Reference of the Joint Committee on Health and Wellbeing</i></p> <p><i>PRO-0044 Maintenance of premises and equipment</i></p>	<p>staff.</p> <p>The Management and Staff committee are analysing and discussing with respective Heads of Units the working overtime per Unit for 2014. Potential actions are expected to follow in 2015.</p> <p>In order to address health issues, in particular with regard to the air quality, in 2014 ECHA reached an agreement with the landlord on implementation of urgent renovations in the coming years.</p> <p>Teleworking was also made more widely available to staff by setting proper security arrangements and providing relevant security training.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>Rules of procedure of the Staff Committee</i></p> <p><i>Teleworking rules</i></p> <p><i>ED/74/2012 as of 26/04/2012 Terms of Reference of the Joint Committee on Health and Wellbeing</i></p> <p><i>PRO-0044 Maintenance of premises and equipment</i></p>
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### 1.5 Stakeholders' management

The Agency's engagement of its stakeholders is based on the Agency's corporate identity and values and their involvement in the Agency's operations, enhanced through effective and targeted communication.

Requirement	Is the requirement fulfilled – Assessment 2013	Is the requirement fulfilled - Assessment 2014
<p><b>ECHA's engagement with its stakeholders shall be based on the Agency's corporate values enhanced through effective communication strategy targeted to the different stakeholders' categories</b></p>	<p>Mostly</p> <p>A stakeholder survey is conducted every year to assess the Agency's cooperation with its stakeholders and to detect potential problems.</p> <p>A Stakeholders' Day event is organized annually to exchange views and ideas on how to improve cooperation.</p> <p>The communication strategy has to be further aligned to the different stakeholders' categories.</p> <p>Audits have indicated a need to improve the coordination of stakeholder activities.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>External communication strategy of ECHA – MB/66/2011 from 15/12/2011</i></p> <p><i>PRO-0047 Management of the relations with ECHA Stakeholders</i></p> <p><i>WIN-0074 Accredited Stakeholder Application Management</i></p>	<p>Yes</p> <p>According to ISO 9001:2008 certification audit, ECHA's stakeholders are defined widely, maintained at good level, ECHA is committed to its stakeholders, to building good relations with them and to gathering their feedback.</p> <p>Stakeholders were consulted with regard to ECHA's transparency approach which was endorsed by the Management Board on 17/12/2014.</p> <p>According to the stakeholder survey conducted every year, stakeholders are generally satisfied with ECHA's services.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>MB/61/2014 ECHA's approach to Transparency</i></p> <p><i>WIN-0145 Stakeholder Survey coordination and Management</i></p> <p><i>LIS -0014 Task list for the management of the Stakeholders' Day event</i></p> <p><i>ISO 9001:2008 audit</i></p> <p><i>External communication strategy of ECHA –</i></p>

		<p><i>MB/66/2011 from 15/12/2011</i></p> <p><i>PRO-0047 Management of the relations with ECHA Stakeholders</i></p> <p><i>WIN-0074 Accredited Stakeholder Application Management</i></p>
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## 2. STRATEGY, PLANNING AND RISK MANAGEMENT

### 2.1. Objectives planning and resources allocation

The Agency's Management defines the strategy and the annual and multiannual objectives, prioritises tasks and allocates resources accordingly.

Requirement	Is the requirement fulfilled – Assessment 2013	Is the requirement fulfilled - Assessment 2014
<p><b>The Agency shall have a corporate vision and strategy expressed in multiannual work programmes and translated to annual work programmes</b></p>	<p>Yes</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>Annual and multiannual work programmes</i></p>	<p>Yes</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>Annual and multiannual work programmes</i></p>
<p><b>The Senior Management shall define the strategic and annual objectives clearly in a way that makes it possible to measure their performance, identify the risks related to them and cascade them to lower levels.</b></p>	<p>Mostly</p> <p>Roadmaps of on-going multiannual activities and indicators have been established in 2013. Methodologies for monitoring the 4 strategic objectives are under development.</p> <p>The annual Work Programme includes the planning of both human and financial resources. To break down the objectives to more detailed level, Unit Level Plans are prepared and monitored on a regular basis. Individual staff objectives are linked to the Unit objectives.</p>	<p>Mostly</p> <p>Methodologies for monitoring the 4 strategic objectives have been finalised and a first measurement of the strategic objectives took place (results available in the General report).</p> <p>In alignment with Agency's quality policy and strategic approach, 3 organisational quality objectives were established in 2014. The Agency is planning to cascade quality objectives to process level in 2015.</p> <p>In view of further optimising the Agency's planning and reporting, a review of the Annual Work Programme (AWP) 2016 structure was undertaken. In addition, a feasibility study on planning and reporting was launched, whose results are expected</p>

	<p>-----</p> <p><i>Main references:</i></p> <p><i>Annual and multiannual work programmes</i></p> <p><i>Multi-annual staff policy plans</i></p> <p><i>Unit level plans</i></p> <p><i>ECHA Financial regulation</i></p> <p><i>PRO-0013 Planning and reporting</i></p>	<p>in 2015.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>Models and measurement of the 4 strategic objectives</i></p> <p><i>Annual and multiannual work programmes</i></p> <p><i>PRO-0080 IQMS planning</i></p> <p><i>Multi-annual staff policy plans</i></p> <p><i>Unit level plans</i></p> <p><i>ECHA Financial regulation</i></p> <p><i>PRO-0013 Planning and reporting</i></p>
<p><b>The Agency shall ensure that human and financial resources are allocated based on the Agency's objectives and workload and aligned with the organisational structure and the principles of efficiency, effectiveness and economy.</b></p>	<p>Mostly</p> <p>There is a procedure for producing AWP and Multi-Annual Work Programme (MAWP). The procedure needs to be revised to specify how to better align the resources.</p> <p>The allocation of human and financial resources takes into account procurement plans, baseline figures and IT strategies.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>PRO-0013 Planning and reporting</i></p>	<p>Mostly</p> <p>The Agency is exploring potential IT tools for alignment of resources to objectives and workload to replace the current non-automated systems. Further analysis is needed to ensure that they are fit for purpose and cost-effective before potentially implementing them.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>PRO-0013 Planning and reporting</i></p>

## 2.2. Risk management

Risk management is integrated into the annual planning and reporting cycle and embedded in the decision-making process at all levels.

Requirement	Is the requirement fulfilled – Assessment 2013	Is the requirement fulfilled - Assessment 2014
<p><b>The Agency shall conduct a corporate risk management exercise at least once per year as part of the Work programme preparation, and at Unit level whenever the Senior Management considers it necessary.</b></p>	<p>Yes</p> <p>A general risk management framework is applied at corporate level and is part of the Work programme preparation.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>ED decision on Risk Management in ECHA ED/29/2010</i></p> <p><i>Risk Management in the Commission – Implementation guide</i></p>	<p>Yes</p> <p>Corporate risk exercise ensures effective management of Agency's risks and is followed up on a quarterly basis by the Senior Management.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>ED decision on Risk Management in ECHA ED/29/2010</i></p> <p><i>Risk Management in the Commission – Implementation guide</i></p>
<p><b>The Agency shall use risk management at process level, whenever the Senior Management deems it necessary, in order to gain efficiency and ensure effectiveness of the internal controls (to be) imposed.</b></p>	<p>Partially</p> <p>In many cases, risks are minimized at all costs, without considering the cost-benefit ratios of controls.</p> <p>Guidelines for Heads of Units and process owners to perform both Unit level- and process risk assessment have been elaborated and some training has been delivered in 2013.</p>	<p>Partially</p> <p>In order to address the provisions of Art.30 of ECHA FR, a Methodology for risk assessment and cost-benefit analysis at process level was elaborated and implemented under the projects of the Efficiency programme. Targeted groups training was also delivered.</p> <p>Processes where excessive level of controls will be eliminated have been identified under the Efficiency</p>

	<p>An Efficiency Development programme, focusing on process streamlining, is under development.</p>	<p>programme. E.g. the number of controls for reimbursement and payment workflows as well as for catering orders was proposed to be reduced by more than 50% by merging a number of steps and responsibilities.</p> <p>Still, more efforts are needed and planned for 2015 to further popularise the concept of cost-risk-benefit analysis at process level.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>Methodology for risk assessment and cost-benefit analysis at process level</i></p> <p><i>Efficiency development programme</i></p>
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### 3. OPERATIONS AND OPERATIONAL STRUCTURE

#### 3.1. Decision making

The Agency's operational structure supports effective decision-making by a clear definition of responsibilities and authority.

Requirement	Is the requirement fulfilled – Assessment 2013	Is the requirement fulfilled - Assessment 2014
<p><b>The Agency shall have an effective decision-making framework, where roles and responsibilities are defined and reflected in relevant documentation, accessible by all staff members</b></p>	<p>Mostly</p> <p>Roles and responsibilities are defined in the relevant documentation of the Integrated Management System of ECHA. Documentation is not yet available for all processes.</p> <p>There is a delegation and sub-delegation register accessible by all staff.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>ED decisions for delegations of financial, scientific and administrative powers</i></p> <p><i>Delegation and sub-delegation register</i></p> <p><i>PRO-0059 Internal decision-making and delegation of power</i></p>	<p>Mostly</p> <p>ISO 9001:2008 certification audit has found that the Agency's has well described procedures and working instructions for REACH and CLP processes in its Integrated Management System. The auditors also considered that better definition and communication of roles and responsibilities is needed in some areas. This observation will be addressed in 2015.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>ED decisions for delegations of financial, scientific and administrative powers</i></p> <p><i>Delegation and sub-delegation register</i></p> <p><i>PRO-0059 Internal decision-making and delegation of power</i></p> <p><i>ISO 9001:2008 audit</i></p>

### 3.2. Process design and deployment

The Agency is managed through a process structure. The Agency has a coherent and effective framework integrating all processes and process controls used for the implementation and control of its activities in line with the provisions of its Regulations.

Requirement	Is the requirement fulfilled – Assessment 2013	Is the requirement fulfilled - Assessment 2014
<p><b>The Agency shall ensure that its processes are designed in line with its strategies and objectives, reflect process interactions, allow process measurement and are documented in a user friendly manner, readily accessible and useful for the staff.</b></p>	<p>Mostly</p> <p>There is an Activity and Process Structure with defined ownerships.</p> <p>Reports and audits are indicating that processes are not always purposefully described and/or mapped.</p> <p>Process measurements need to be developed.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>LIS-0009 ECHA Activity and Process Structure</i></p>	<p>Mostly</p> <p>Progress has been made in the area of process definition and mapping. The Activity and Process Structure of ECHA was reviewed in 2014 in order to re-define some processes and their ownerships, and to integrate the criticality levels of the processes. A process dependency matrix was elaborated to illustrate the interactions between processes. Some process designs have been reviewed under the Efficiency programme.</p> <p>Audits and analyses have indicated some shortcomings in the process implementation, which implies review of design, interfaces, controls and follow-up indicators. Actions are planned to address those in 2015.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>LIS-0009 ECHA Activity and Process Structure</i></p> <p><i>Efficiency programme</i></p> <p><i>ISO 9001:2008 audit</i></p>

### 3.3. Security and Business continuity

Adequate and preventive measures are in place to ensure protection and security of the Agency's information and continuity of service in case of major disruptions that might threaten the Agency's operations.

Requirement	Is the requirement fulfilled – Assessment 2013	Is the requirement fulfilled - Assessment 2014
<p><b>The Agency shall have a Security and Business continuity policy and plans that are regularly tested to ensure uninterrupted operations, continuity and everyday protection of the Agency's staff and information with respect to different scenarios of major disruptions</b></p>	<p>Yes</p> <p>Security and Business Continuity Policies exist.</p> <p>Risks and crisis scenarios are covered in the Business continuity management policy; the level of criticality at process level has been established. Actions are further specified in the business continuity plans.</p> <p>In 2013, a crisis test covering a number of scenarios was conducted at Management level. Interactive on-line security training has been undertaken by staff.</p> <p>An ECHA back-up procedure is available to staff through the Intranet, and has been implemented. Handover files have been fostered in case of mobility or leaving of service.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>POL-0004 Business Continuity Management</i></p>	<p>Yes</p> <p>For the ensuring business continuity, all business continuity plans for critical processes were updated and capability to handle crisis situations was tested by crisis exercise in December 2014.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>POL-0004 Business Continuity Management Policy</i></p>

	<p><i>Policy</i></p> <p><i>PLA-0001 ECHA Crisis Management Plan (tested annually in Crisis Exercises)</i></p> <p><i>POL-0002 Security Policy Statement</i></p> <p><i>ED/97/2010 Security Organisation</i></p> <p><i>ED/29/2008 Security Rules and related procedures</i></p> <p><i>ED/125/2012 Rules for access to the ECHA premises</i></p> <p><i>PRO-0033 Video-surveillance at the ECHA premises</i></p> <p><i>POL-0006 Information Security Policy</i></p> <p><i>POL-0005 Classification and Handling of ECHA Information Policy</i></p> <p><i>POL-0011 Use of ICT Facilities Policy</i></p> <p><i>PRO-0065 ECHA ICT Security Management System</i></p> <p><i>HAN-0011 Handbook on Practical instructions for handling of ECHA equipment (lost items) and access to ECHA premises</i></p> <p><i>ED/24/2009 Instructions for the use of ECHA Conference Centre</i></p>	<p>PLA-0001 ECHA Crisis Management Plan (tested annually in Crisis Exercises)</p> <p>POL-0002 Security Policy Statement</p> <p>ED/97/2010 Security Organisation</p> <p>ED/29/2008 Security Rules and related procedures</p> <p>ED/125/2012 Rules for access to the ECHA premises</p> <p>PRO-0033 Video-surveillance at the ECHA premises</p> <p>POL-0006 Information Security Policy</p> <p>POL-0005 Classification and Handling of ECHA Information Policy</p> <p>POL-0011 Use of ICT Facilities Policy</p> <p>PRO-0065 ECHA ICT Security Management System</p> <p>HAN-0011 Handbook on Practical instructions for handling of ECHA equipment (lost items) and access to ECHA premises</p> <p>ED/24/2009 Instructions for the use of ECHA Conference Centre</p>
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### 3.4. Information management

The management and staff obtain sufficient and timely information needed for the performance of their responsibilities and for effective decision-making.

The Agency has an adequate information management system.

Requirement	Is the requirement fulfilled – Assessment 2013	Is the requirement fulfilled - Assessment 2014
<p><b>The Agency shall conduct regular assessments that the information available in the Agency's Management system is fit for purpose.</b></p>	<p>Yes</p> <p>It is a common audit objective to assess the reliability of the operational information. A specific audit has been conducted in 2013 and an audit plan adopted.</p>	<p>Yes</p> <p>In 2014, ISO 9001:2008 assessed ECHA information management system. Recommendations for improvement are being followed up.</p>
<p><b>The Agency shall have an Information management system, complying with applicable legislation and providing adequate audit trails, where the principles of organisation, control, retention, archive and communication with regards to documents and records are defined.</b></p>	<p>Partially</p> <p>There is a policy defining how information is handled, controlled, communicated and implemented by all staff</p> <p>The procedure for control of Documents and Records has not yet been fully implemented</p> <p>There are retention periods defined for some records, in line with the existing regulations</p> <p>There are IT projects which will facilitate the implementation of the information management policies. A project on archives is on-going.</p>	<p>Mostly</p> <p>Considerable progress was made in that area in 2014. The procedure for control of Documents and Records is under implementation: retention periods were defined for most of the records; filing plans were already developed and will be implemented in Q2/2015.</p> <p>Simplification of relevant information management documentation, including integration of existing documents took place in 2014.</p> <p>A number of IT projects are on-going in order to improve the operational process management and facilitate the implementation of the</p>

	<p>-----</p> <p><i>Main references:</i></p> <p><i>POL- 0005 Classification and Handling of ECHA Information</i></p> <p><i>POL- 0007 Information Management Policy</i></p> <p><i>PRO-0010 Control of Documents and Records,</i></p> <p><i>LIS-0009 Activity and Process Structure with Common Nomenclature and Ownerships</i></p> <p><i>LIS-0011 ECHA Retention Schedule</i></p> <p><i>LIS – 0012 ECHA Default Metadata</i></p>	<p>information management policies.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>ED 86/2014 Electronic storage of documents in ECHA</i></p> <p><i>POL- 0007 Information Management Policy</i></p> <p><i>PRO-0010 Control of Documents and Records including Classification and Handling of ECHA Information (Annex to be added: ECHA Retention Schedule)</i></p> <p><i>LIS-0009 Activity and Process Structure with Common Nomenclature and Ownerships</i></p> <p><i>LIS – 0012 ECHA Default Metadata</i></p>
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## 4. EVALUATION AND IMPROVEMENT

### 4.1. Monitoring and measurement

Accurate, timely, complete and relevant data are available to ensure effective and efficient monitoring of the use of the Agency's resources, activities, processes and products.

Requirement	Is the requirement fulfilled – Assessment 2013	Is the requirement fulfilled - Assessment 2014
<p><b>The Agency shall have adequate monitoring and measurement structures to ensure the accuracy, completeness and timeliness of data and related information used for producing its reports.</b></p>	<p>Mostly</p> <p>Monitoring structures exist to follow the financial, HR and accounting results, the KPIs and baseline figures per Activity, as well as the audit findings. The structures however are not fully automated, neither fully aligned to prevent duplication and manual work.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>Annual and multiannual work programmes</i></p>	<p>Partially</p> <p>ISO 9001:2008 auditors have made an observation that plans need to be more consistently implemented. Management analyses have identified a number of short-comings, mainly related to the efficiency of the monitoring and measurement structures. In order to address those and to provide a structure for a number of improvements in the area of monitoring and measurement identified as a result of audits and analyses, ECHA started a feasibility study whose results are expected to streamline and automate the existing monitoring and measurement structures.</p> <p>Improved measurement structures will facilitate ECHA to respond to the new provisions under the ECHA FR with regard to the effectiveness and efficiency of internal controls.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>ISO 9001:2008 audit</i></p>

	<p><i>ECHA Financial Regulation</i></p> <p><i>General financial regulation and implementing rules</i></p> <p><i>Annual budget</i></p> <p><i>European Union accounting rules</i></p> <p><i>REACH regulation (including implementing Fee regulations)</i></p> <p><i>PRO-0013 Planning and reporting</i></p>	<p><i>Annual and multiannual work programmes</i></p> <p><i>ECHA Financial Regulation</i></p> <p><i>General financial regulation and implementing rules</i></p> <p><i>Annual budget</i></p> <p><i>European Union accounting rules</i></p> <p><i>REACH regulation (including implementing Fee regulations)</i></p> <p><i>PRO-0013 Planning and reporting</i></p>
<p><b>The Agency shall have adequate controls to capture, manage and report on non-conformities and suggestions for improvements, including handling of corrective actions.</b></p>	<p>Partially</p> <p>There is a procedure for the handling of non-conformities and complaints and the management of corrective and preventive actions. The Agency-wide implementation has to be furthered. Not all deviations, non-conformities and complaints are recorded. IT assisted workflows and systems for a centralised deviation and action management are in development.</p>	<p>Mostly</p> <p>In 2014, efforts have been put towards formalising and implementing the procedures for handling of non-conformities and complaints and management of corrective and preventive actions, with a result of establishing a centralised system for handling those. A procedure on preventive and risk – based approach was issued as well.</p> <p>More efforts are needed in order to ensure that corrective actions and improvements are taken and followed up by all Units in the Agency.</p> <p>-----</p> <p><i>PRO-0079 Preventive and risk-based approach to management</i></p> <p><i>PRO-0015 Nonconformities, Corrective and Preventive Action</i></p>

#### 4.2. Analysis and evaluation

Evaluations of strategies, activities and projects are performed to assess the benefits, results, impacts and needs that these activities aim to achieve and satisfy. The effectiveness, adequacy and suitability of the management system are reviewed.

Requirement	Is the requirement fulfilled – Assessment 2013	Is the requirement fulfilled - Assessment 2014
<p><b>Senior Management shall review periodically and carry out an annual management review on the effectiveness, adequacy and suitability of the Agency's Integrated management system.</b></p>	<p>Mostly</p> <p>The effectiveness, adequacy and suitability of the management system is evaluated by the Senior Management on annual basis during the Management review and followed up on a quarterly basis.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>PRO-0016 Management review</i></p> <p><i>PRO-0042 Organization and approach to management</i></p>	<p>Mostly</p> <p>In 2014, efforts have been made towards providing analysis of data to the Management, in order to facilitate their quarterly and Management reviews.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>PRO-0016 Management review</i></p> <p><i>ECHA Integrated Management System manual (MAN-0001)</i></p> <p><i>Quarterly reviews at DCM and Management review minutes</i></p>
<p><b>Agency projects shall be carried out according to defined project management procedures. Upon closure of each project, an assessment of its benefits, results and impacts shall be performed.</b></p>	<p>Mostly</p> <p>Assessments should be implemented more systematically for all projects.</p>	<p>Partially</p> <p>The new FR of ECHA and in particular, its implementing rules adopted in December 2014 brought new provisions with regard to the ex-ante and ex-post evaluation of programmes, projects or activities (applicable for amounts</p>

	<p>-----</p> <p><i>Main references:</i></p> <p><i>PRO-0018 Project Management</i></p> <p><i>PRO-0026 IT Governance bodies, roles and functions</i></p> <p><i>PRO- 0027 IT Governance and Process Description</i></p>	<p>EUR 1 million for ex-ante and EUR 2 million for ex-post evaluation). Implementation is foreseen to start in 2015.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>ECHA FR and Implementing rules</i></p> <p><i>PRO-0018 Project Management</i></p> <p><i>PRO-0026 IT Governance bodies, roles and functions</i></p> <p><i>PRO- 0027 IT Governance and Process Description</i></p>
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#### 4.3. Internal Audit

The Agency has an Internal Audit Capability (IAC), the role of which is to provide independent, objective assurance and consulting services designed to add value and improve the operations of the Agency. The Agency has other qualified staff members who support audits performed in the area of data protection, security, quality and other specialised areas.

Requirement	Is the requirement fulfilled – Assessment 2013	Is the requirement fulfilled - Assessment 2014
<p><b>The Internal Audit Capability and the other qualified staff members supporting audits, shall provide independent and objective assurance and consulting services based on risk assessment, designed to add value and improve the operations of the Agency.</b></p>	<p>Yes</p> <p>The annual audit plan is risk-based and is part of a multi-annual strategic plan coordinated with the IAS and is approved by the Executive Director.</p> <p>IAC and the other personnel carrying out</p>	<p>Yes</p> <p>The annual audit plan is risk-based and is part of a multi-annual strategic plan coordinated with the IAS and is approved by the Executive Director.</p> <p>IAC and the other personnel carrying out</p>

	<p>audits preserve independence in relation to the activities subject to review.</p> <p>Management engages in audits by supporting the audit teams, preparing action plans, implementing the actions and by following up on them in order to correct weaknesses identified.</p> <p>The mechanism for management of action plans needs to be simplified.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>Audit Work programme</i></p> <p><i>IAC Annual Work plan</i></p> <p><i>Audit follow up table</i></p> <p><i>PRO-0020 Internal audit of the Internal audit capability (IAC)</i></p> <p><i>PRO-0014 Internal IQMS audit</i></p>	<p>audits preserve independence in relation to the activities subject to review.</p> <p>Management follows up the audits on a quarterly basis.</p> <p>To avoid duplication of efforts, IAC and internal quality audits complement each other and are planned in joint internal audit programme.</p> <p>-----</p> <p><i>Main references:</i></p> <p><i>Audit Work programme</i></p> <p><i>IAC Annual Work plan</i></p> <p><i>Audit follow up table</i></p> <p><i>PRO-0020 Internal audit of the Internal audit capability (IAC)</i></p> <p><i>PRO-0014 Internal IQMS audit</i></p>
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**Legend:**

**Yes** – refers to an assessment of the Management system, where the requirements to the standards are considered fulfilled.

**No** – refers to an assessment of the Management system, where the requirements to the standards are considered not yet fulfilled.

**Partially** - refers to an assessment of the Management system, where the requirements to the standards are considered fulfilled with some major gaps.

**Mostly** - refers to an assessment of the Management system, where the requirements to the standards are considered fulfilled with some minor gaps.

## Declaration of assurance of the Executive Director

I, the undersigned,

**Geert DANCET**

Executive Director of the European Chemicals Agency

### **In my capacity as the Authorising Officer,**

Declare that the information contained in this report gives a true and fair view.

State that I have reasonable assurance that the resources assigned to the Activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment, ex post controls, the work of the internal audit capability, the recommendations of the Internal Audit Service and the observations from the Court of Auditors<sup>5</sup>.

Confirm that I am not aware of anything not reported here which could harm the interests of the Agency.

Done at Helsinki, on 06 March 2015

*signed*

Geert DANCET

Executive Director

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<sup>5</sup> As regards the implementation of the European Union legislation and the fee regulations under the Agency's remit, this assurance has to be limited to the field of competences of the Agency. Since the mandate of the European Chemicals Agency does not include controls or inspections at national level, it cannot be confirmed that only registered or authorised substances and products, for which a fee has been paid to the Agency, are circulating on the European Union market.