



Council of the
European Union

Brussels, 4 December 2014
(OR. en)

16455/14

FIN 927

COVER NOTE

From:	Mr Vítor CALDEIRA, President of the European Court of Auditors
date of receipt:	4 November 2014
To:	Mr Linas LINKEVICIUS, President of the Council of the European Union
Subject:	Report on the annual accounts for the European Agency for Safety and Health at Work for the financial year 2013 together with the Agency's replies

Delegations will find attached the European Court of Auditors' report on the annual accounts of the European Agency for Safety and Health at Work for the financial year 2013.

This report is accompanied by the Agency's replies and will shortly be published in the *Official Journal of the European Union*.

Encl.: Report on the annual accounts of the European Agency for Safety and Health at Work for the financial year 2013 together with the Agency's replies.¹

¹ In English only. The other languages of this report are available on the European Court of Auditors' website: <http://eca.europa.eu/>.

ЕВРОПЕЙСКА СМЕТНА ПАЛАТА
TRIBUNAL DE CUENTAS EUROPEO
EVROPSKÝ ÚČETNÍ DVŮR
DEN EUROPÆISKE REVISIONSRET
EUROPÄISCHER RECHNUNGSHOF
EUROOPA KONTROLLIKODA
ΕΥΡΩΠΑΪΚΟ ΕΛΕΓΚΤΙΚΟ ΣΥΝΕΔΡΙΟ
EUROPEAN COURT OF AUDITORS
COUR DES COMPTES EUROPÉENNE
CÚIRT INIÚCHÓIRÍ NA HEORPA



EUROPSKI REVIZORSKI SUD
CORTE DEI CONTI EUROPEA
EIROPAS REVĪZIJAS PALĀTA
EUROPOS AUDITO RŪMAI

EURÓPAI SZÁMVEVŐSZÉK
IL-QORTI EWROPEA TAL-AWDITURI
EUROPESE REKENKAMER
EUROPEJSKI TRYBUNAŁ OBRACHUNKOWY
TRIBUNAL DE CONTAS EUROPEU
CURTEA DE CONTURI EUROPEANĂ
EURÓPSKY DVOR AUDÍTOROV
EVROPSKO RAČUNSKO SODIŠČE
EUROOPAN TILINTARKASTUSTUOMIOISTUIN
EUROPEISKA REVISIONSRÄTTEN

Report on the annual accounts
of the European Agency for Safety and Health at Work
for the financial year 2013

together with the Agency's replies

INTRODUCTION

1. The European Agency for Safety and Health at Work (hereinafter “the Agency”, aka “EU-OSHA”), which is located in Bilbao, was created by Council Regulation (EC) No 2062/94². The Agency's task is to collect and disseminate information on national and Union priorities in the field of health and safety at work, to support national and Union organisations involved in policymaking and implementation and provide information on preventive measures³.

INFORMATION IN SUPPORT OF THE STATEMENT OF ASSURANCE

2. The audit approach taken by the Court comprises analytical audit procedures, direct testing of transactions and an assessment of key controls of the Agency's supervisory and control systems. This is supplemented by evidence provided by the work of other auditors (where relevant) and an analysis of management representations.

STATEMENT OF ASSURANCE

3. Pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

² OJ L 216, 20.8.1994, p. 1. The Regulation was last amended by Regulation (EC) No 1112/2005 (OJ L 184, 15.7.2005, p. 5).

³ ***Annex II*** summarises the Agency's competences and activities. It is presented for information purposes.

- (a) the annual accounts of the Agency, which comprise the financial statements⁴ and the reports on the implementation of the budget⁵ for the financial year ended 31 December 2013, and
- (b) the legality and regularity of the transactions underlying those accounts.

The management's responsibility

4. The management is responsible for the preparation and fair presentation of the annual accounts of the Agency and the legality and regularity of the underlying transactions⁶:

- (a) The management's responsibilities in respect of the Agency's annual accounts include designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies on the basis of the accounting rules adopted by the Commission's accounting officer⁷; making accounting estimates that are reasonable in the circumstances. The Director approves the annual accounts of the Agency after its accounting officer has prepared them on the basis of all available

⁴ These include the balance sheet and the economic outturn account, the cash flow table, the statement of changes in net assets and a summary of the significant accounting policies and other explanatory notes.

⁵ These comprise the budgetary outturn account and the annex to the budgetary outturn account.

⁶ Articles 39 and 50 of Commission Delegated Regulation (EU) No 1271/2013 (OJ L 328, 7.12.2013, p. 42).

⁷ The accounting rules adopted by the Commission's accounting officer are derived from the International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants or, where relevant, the International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.

information and established a note to accompany the accounts in which he declares, *inter alia*, that he has reasonable assurance that they present a true and fair view of the financial position of the Agency in all material respects.

- (b) The management's responsibilities in respect of the legality and regularity of the underlying transactions and compliance with the principle of sound financial management consist of designing, implementing and maintaining an effective and efficient internal control system comprising adequate supervision and appropriate measures to prevent irregularities and fraud and, if necessary, legal proceedings to recover funds wrongly paid or used.

The auditor's responsibility

5. The Court's responsibility is, on the basis of its audit, to provide the European Parliament and the Council⁸ with a statement of assurance as to the reliability of the annual accounts and the legality and regularity of the underlying transactions. The Court conducts its audit in accordance with the IFAC International Standards on Auditing and Codes of Ethics and the INTOSAI International Standards of Supreme Audit Institutions. These standards require the Court to plan and perform the audit to obtain reasonable assurance as to whether the annual accounts of the Agency are free from material misstatement and the transactions underlying them are legal and regular.

6. The audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the accounts and the legality and regularity of the underlying transactions. The procedures selected depend on the auditor's judgement, which is based on an assessment of the risks of material misstatement of the accounts and material non-compliance by the underlying

⁸ Article 107 of Regulation (EU) No 1271/2013.

transactions with the requirements in the legal framework of the European Union, whether due to fraud or error. In assessing these risks, the auditor considers any internal controls relevant to the preparation and fair presentation of the accounts, as well as the supervisory and control systems that are implemented to ensure the legality and regularity of underlying transactions, and designs audit procedures that are appropriate in the circumstances. The audit also entails evaluating the appropriateness of accounting policies, the reasonableness of accounting estimates and the overall presentation of the accounts.

7. The Court considers that the audit evidence obtained is sufficient and appropriate to provide a basis for its statement of assurance.

Opinion on the reliability of the accounts

8. In the Court's opinion, the Agency's annual accounts present fairly, in all material respects, its financial position as at 31 December 2013 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer.

Opinion on the legality and regularity of the transactions underlying the accounts

9. In the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2013 are legal and regular in all material respects.

10. The comments which follow do not call the Court's opinions into question.

COMMENTS ON BUDGETARY MANAGEMENT

11. The overall level of committed appropriations was 99 % as compared to 95 % in 2012. However, the level of committed appropriations carried over to 2014 was high at 601 426 euro (30 %) for title II (administrative expenditure) and 3 693 549 euro (46 %) for title III (operational expenditure).

12. For title II, this was caused by the purchase of goods and services, as planned, at the end of the year in connection with the Agency's move to its new premises and with the renewal of annual IT contracts. For title III, the high level of planned carry-overs mainly resulted from the multiannual nature of major projects launched in 2013, such as the European Survey of Enterprises on New and Emerging Risks (ESENER II).

FOLLOW-UP OF PREVIOUS YEARS' COMMENTS

13. An overview of the corrective actions taken in response to the Court's comments from previous years is provided in **Annex I**.

This Report was adopted by Chamber IV, headed by Mr Milan Martin CVIKL, Member of the Court of Auditors, in Luxembourg at its meeting of 1 July 2014.

For the Court of Auditors

Vítor Manuel da SILVA CALDEIRA
President

Follow-up of previous years' comments

Year	Court's comment	Status of corrective action (Completed / Ongoing / Outstanding / N/A)
2011	The high cancellation rate for appropriations indicates difficulties in the implementation of the actions foreseen in the annual work programme and in complying with the budgetary principle of annuality.	Completed
2011	In contrast to the other two European Agencies based in Spain (OHIM in Alicante and CFCA in Vigo), a seat agreement had not been concluded.	Completed
2012	The Agency's 2012 budget amounted to 15,3 million euro, out of which 3,2 million euro (22 %) were carried over to 2013. The level of committed appropriations carried over is high for title II (infrastructure) at 36 % and for title III (operational expenditure) at 33 %. For title II, this was mainly caused by the renewal of annual IT contracts concluded as planned in the fourth quarter of 2012. For title III, the high level resulted from both the multiannual nature of major projects and from delays in the award of specific contracts. The delays mainly result from a decentralised organisation of procurement procedures which prevents effective monitoring of the implementation of the procurement plan.	Ongoing

Year	Court's comment	Status of corrective action (Completed / Ongoing / Outstanding / N/A)
2012	The cancellation rate for title I appropriations for the year 2012 was high at 9,5 % (0,5 million euro) which mainly resulted from frozen recruitment procedures and an anticipated salary increase which had not yet been paid out.	Completed

European Agency for Safety and Health at Work (Bilbao)**Competences and activities**

<p>Areas of Union competence deriving from the Treaty</p> <p><i>(Articles 151 and 153 of the Treaty on the Functioning of the European Union)</i></p>	<p>Article 151</p> <p>The Union and the Member States [...], shall have as their objectives the promotion of employment, improved living and working conditions, so as to make possible their harmonisation while the improvement is being maintained, proper social protection, dialogue between management and labour, the development of human resources with a view to lasting high employment and the combating of exclusion.</p> <p>Article 153</p> <p>With a view to achieving the objectives of Article 151, the Union shall support and complement the activities of the Member States in the following fields:</p> <p>(a) improvement in particular of the working environment to protect workers' health and safety;</p> <p>(b) working conditions;</p> <p>[...]</p> <p>(e) the information and consultation of workers;</p> <p>(h) the integration of persons excluded from the labour market, without prejudice to Article 166;</p> <p>(i) equality between men and women with regard to labour market opportunities and treatment at work;</p> <p>(j) the combating of social exclusion;</p> <p>[...].</p>
<p>Competences of the Agency</p> <p><i>(Council Regulation (EC) No 2062/94)</i></p>	<p>Objectives</p> <p>In order to improve the working environment, as regards the protection of the safety and health of workers as provided for in the Treaty and successive strategies and action programmes concerning health and safety at the workplace, the aim of the Agency shall be to provide the Union and the Member States, the social partners and those involved in the field with technical, scientific and economic information of use in the field of safety and health at work (Article 2).</p> <p>Tasks</p> <ul style="list-style-type: none"> – To collect, analyse and disseminate information on national and Union priorities and on research; – to promote cooperation and the exchange of information, including information on training programmes; – to supply the Union bodies and the Member States with the information they require for formulating and implementing policies, in particular as regards the impact on small and medium-sized enterprises; – to make available information on preventive activities; – to contribute to the development of strategies and Union action programmes; – to set up a network comprising national focal points.
<p>Governance</p>	<p>Governing Board (GB)</p> <ul style="list-style-type: none"> – One representative of the Government of each Member State.

	<ul style="list-style-type: none"> - One representative of the employers' organisations of each Member State. - One representative of the employees' organisations of each Member State. - Three representatives of the Commission. - Members and alternate members from the first three categories shall be appointed from the members and alternate members of the Advisory Committee on Safety and Health at Work. <p>Bureau of the GB</p> <ul style="list-style-type: none"> - Chair and three vice-chairs of the Board. - Coordinators from each of the three interest groups. - One additional member from each of the groups and the Commission. <p>Director is appointed by the Governing Board on the basis of a short-list from the Commission.</p> <p>Committees</p> <p>Obligatory consultation of the European Commission and the Advisory Committee on Safety and Health at Work in respect of the work programme and budget.</p> <p>External audit</p> <p>European Court of Auditors.</p> <p>Discharge authority</p> <p>European Parliament, acting on a recommendation from the Council.</p>
<p>Resources available to the Agency in 2013 (2012)</p>	<p>Budget</p> <p>17,5 (16,9) million euro of which:</p> <ul style="list-style-type: none"> - Union subsidy, DG Employment: 86,3 % (89,0 %) - Other Union subsidy, DG Employment: 9,4 % (5,9 %) - Other Union subsidy, DG Enlargement: 3,2 % (3,9 %) - Other: 1,0 % (1,2 %) <p>Staff at 31 December 2013</p> <p>44 (44) posts in the establishment plan, of which, 42 (42) posts were occupied.</p> <p>Other staff:</p> <ul style="list-style-type: none"> - Seconded National Experts: 0 (0) - contract staff: 24 (24) - local staff: 1 (1) <p>Total staff employed: 67 (67)</p> <p>Allocated to:</p> <ul style="list-style-type: none"> - operational activities: 48 (48) - administrative tasks: 10 (10) - mixed tasks: 9 (9)
<p>Products and services in 2013</p> <p><i>(Collecting and</i></p>	<p>PREVENTION AND RESEARCH</p> <p>Specific objective 1: To provide a basis for priority setting for OSH research and actions via identifying and monitoring trends and anticipating new and emerging risks</p>

<i>analysing information)</i>	<p>related to OSH by carrying out a large-scale foresight study</p>
	<p>Two e-facts and two accompanying hazard identification checklists on OSH in green building construction and on OSH and small-scale applications of solar energy were published and promoted on 3 June through a web teaser on the occasion of the EU green week and are available from the single entry point (SEP) on OSH in green jobs created earlier in the year. The German, Spanish, Italian and Polish versions of the summary report 'Foresight on new and emerging OSH risks associated with new technologies in green jobs' were published beginning of June. The French version of the summary report was published early October.</p> <p>A foresight workshop with the Focal Points was held on 12-13 November in order to disseminate the scenarios and foresight findings, to demonstrate and encourage the application of scenarios to decision-making and to promote the policy relevance of the foresight on green jobs.</p> <p>A draft report on the state of the art review on 'current and emerging issues in the health care sector including community and home care' was received.</p>
	<p>Specific objective 2: To provide input for more focused research and prevention efforts via the review and analysis of research on risk factors and health outcomes</p>
	<p>A draft was received of a report on work-related cancer and cancer risk factors from the Topic Centre following the 2012 workshop on the topic.</p> <p>Three e-facts on OSH and nanomaterials (Tools for the management of nanomaterials in the workplace and prevention; Nanomaterials in the health care sector, OSH risks and prevention; Nanomaterials and maintenance: OSH risks and prevention) were published and promoted on 24 June, together with a new single entry point (SEP) on Managing nanomaterials in the workplace, from which all EU-OSHA's information material on OSH and nanomaterials is available.</p> <p>The 'Women at work' report was published. It covers employment trends and their impact on the OSH of women (incl. recent trends), OSH statistics, work-related cancer (incl. the links between shift work and breast cancer), MSDs and stress, violence and harassment in service professions, and explores existing research on the OSH of women in informal work, as well as disability and rehabilitation of women at work. It includes selected examples of gender mainstreaming into OSH from three Member States and is intended to be complementary to an EU-OSHA case study report on recent policy initiatives that will be published in 2014.</p>
	<p>Specific objective 3: To support priority setting for OSH research and actions via the provision of an overview of safety and health at work in Europe based on historical and current data</p>
	<p>The final report for the project 'Estimation of the costs of non-OSH at macro-level' was delivered in September. The aim of the project is to assess different methodologies for estimating the cost of poor or non-OSH at macro-level in order to understand the rationale behind the different estimates and get a better knowledge of the economic impact of poor OSH; provide information to support policy makers at European and national level; establish a sound basis for debate on key issues on the subject; and contribute to the promotion and fostering of further research.</p>
	<p>Specific objective 4: To stimulate debate about, and ensure the relevance of, the observatory's findings through discussion and consolidation with target groups and beneficiaries</p>
	<p>The Agency presented its approach to emerging risks and work-related diseases at the COST-MODERNET meeting on 16 October in Paris. A jointly organised workshop between the Agency and the German Road Safety Council at the A+A conference was held on 6 November in Düsseldorf.</p>
	<p>Specific objective 5: To help policy-makers and providers of OSH information in giving better support to enterprises through the implementation of surveys to collect real-time information on OSH management and key emerging OSH risks</p>
	<p>All draft reports (summary overview report, national overview report and substantive findings report) of the Qualitative post-test on ESENER were finalised for publication.</p> <p>The report 'Analysis of the determinants of workplace occupational safety and health practice in a selection of EU Member States (Report and summary in several languages)' was published in September.</p>

<p>Preparations for ESENER-2 proceeded according to plan, including cognitive pre-tests. Fieldwork is planned for 2014 and first results will be received at the end of 2014, with first publications planned for early 2015.</p>
<p>Specific objective 6: To seek a current consensus on research priorities in OSH, and to encourage national OSH research institutes to set joint priorities, exchange results as well as encourage the inclusion of OSH requirements in research programmes</p>
<p>The report on OSH research priorities in the EU for the years 2013-20, including feedback from Focal Points and seminar participants, was published online and promoted in June. As a follow-up to the report, a high-level seminar was organised on 9-10 October to discuss and validate the priorities identified in the report and the ways in which to foster research coordination in the field of OSH. The seminar brought together representatives of research funding bodies, research institutes and policy makers at European and national level.</p> <p>WORKING ENVIRONMENT INFORMATION: SHARING KNOWLEDGE ON GOOD PRACTICE AT WORKPLACE LEVEL</p>
<p>Specific objective 1: To develop useful, practical and high-quality information products to support the Healthy Workplaces Campaigns</p>
<p>HWC 2012-13: 'Working together for risk prevention'</p> <p>The closing event of the campaign took place on 11-12 November together with the Healthy Workplaces summit on "Working together for risk prevention". Three parallel workshops were held as part of the Closing Event that reflected the Good Practice Awards, the Campaign Partner Benchmarking scheme and the Campaigning aspects of HWC 2012-13.</p> <p>HWC 2014-15 'Healthy Workplaces Manage Stress'.</p> <p>A first interim report 'Stress and psychosocial risk management – portable application for micro and small enterprises' was delivered by the contractor. The report included, as requested, outlines of the main sections of the application, and a 'memorandum of understanding' describing the technical aspects.</p> <p>A final draft of the report 'Costs of stress and psychosocial risks at work' is under the internal review and editing process.</p> <p>A final draft was delivered of the joint EU-OSHA – Eurofound report on psychosocial risks.</p>
<p>Specific objective 2: To strengthen prevention measures via the provision of useful and practical good practice information on priority sectors and topics</p>
<p>The 'Safer and healthier work at any age – occupational safety and health (OSH) in the context of an ageing workforce' project aims to assess the prerequisites for OSH systems to take account of an aging workforce and ensure better prevention for all throughout working life.</p> <p>The contract was signed in June, kick-off meeting was held on 10 June in Brussels. Further to the meeting, the contractor prepared the inception report and revised the time schedule for the whole project. At the end of July, the first progress report was received, at the beginning of October the contractor submitted the interim country inventories and the long list of examples of good practices. A half-day meeting on progress took place on 2 December at the European Parliament.</p> <p>An e-fact on dangerous substances and successful workplace communication was published to complement 2012 materials (Napo material, FAQs, ppt, and Website sections on REACH, CLP and links to OSH). It offers hints for successful communication in the workplace about dangerous substances, including the use of safety data sheets, and provides a list of sources of further information.</p> <p>Results from the 2012 Focal Points survey on national initiatives related to cooperation between national REACH and OSH authorities were made available to the SLIC Chemex group for the development of their labour inspection guidance on links between REACH and OSH.</p>
<p>Specific objective 3: To support prevention measures via ensuring the continued relevance of existing information products</p>
<p>The legislation section of the website continued to be updated under the contract with the Topic Centre. The latest new information concerns Directive 2013/35/EU - electromagnetic</p>

fields.
<p>Specific objective 4: To improve the implementation and quality of risk assessments in micro and small enterprises (1-49 employees) via increased awareness on the need to do risk assessment and how to do it</p>
<p>The Agency further developed the Online interactive Risk Assessment (OiRA) tool project at both EU level and at Member State level. Basic development of the software approached completion in 2013 and saw a limited number of new functionalities being developed to better meet the needs identified by OiRA partners. The Agency was very active in the promotion and the development of the OiRA community, with tools being taken up widely at national level and through the sectoral social dialogue committees at EU level.</p> <p>Networking and Coordination</p> <p>Further development of focal point network, the governance of the Agency and liaison with European and International organisations.</p> <p>Institutional capacity building in Candidate and Potential Candidate Countries (earmarked funds).</p> <p>Programming and evaluation coordination.</p> <p>COMMUNICATION, CAMPAIGNING AND PROMOTION</p>
<p>Specific objective 1: To raise awareness amongst key target groups of the importance of working together for risk prevention through the organisation of a decentralised pan-European campaign</p>
<p>In 2013, EU-OSHA implemented the second year of its Healthy Workplaces Campaign 2012-13 on 'Working together for risk prevention'.</p> <p>Flagship campaign events were organised in cooperation with the incumbent EU Presidencies, including the European Good Practice Awards Ceremony and the Healthy Workplaces Summit.</p> <p>Campaign-related press, media and public relations activities were carried out at EU and national level. The Agency also continued to support its network of national focal points through the implementation of the European Campaign Assistance Programme (ECAP), including the provision of seminars, conferences, media actions and campaign promotion material in 24 languages.</p> <p>The Campaign Partnership Programme, including the active engagement of partners, organising meetings and providing campaign promotion material, added a further important dimension to the campaign while the launch of an Online OSH Campaigning Toolkit provided practical tips and advice for anyone wanting to run an OSH awareness raising campaign.</p> <p>Preparatory actions for the Healthy Workplaces Campaign 2014-15 included the development of the campaign plan, the campaign branding and the core promotion material (including Napo film).</p> <p>Work also started on an independent external evaluation of the Healthy Workplaces Campaign 2012-13.</p>
<p>Specific objective 2: To maintain the Agency, including its website, as Europe's first reference point for OSH information by using appropriate communication tools and channels to reach the intended target groups</p>
<p>Research and development actions were carried out to support the implementation of a new Agency online strategy and redevelopment of the Agency online presence in 2014. At the same time, the Agency produced and published online content and further developed its online promotion and presence in social media.</p> <p>The year saw the organisation of awareness raising and communication partnership activities</p>

	<p>including strengthened relations with the Enterprise Europe Network.</p> <p>The 2013 publications programme resulted in a range of publications in a variety of EU languages.</p> <p>There was also further development of the Online Interactive Risk Assessment (OiRA) site and application and of the Healthy Workplaces Campaign's sites and applications.</p> <hr/> <p>Specific objective 3: To effectively promote the agency's information to the intended target groups via media and public relations, events and exhibitions</p> <hr/> <p>A range of press and PR activities were implemented, including news releases, press articles and press conferences to promote, among other things, the results of the 3rd OSH opinion poll; the foresight project and green jobs; CLP regulation; ESENER secondary analyses and macroeconomic costs of OSH information project; carcinogenic-related publications.</p> <p>Diffusion strategy of the NAPO teachers' online kit successfully implemented. Further development of promotion and author recruitment strategy for the OSHwiki and of the promotion and developers' recruitment strategy for the Online interactive Risk Assessment tool</p> <p>Presentations and active participation in selected European and international conferences and exhibitions by providing Agency speakers and / or an Agency stand and / or Agency literature:</p> <p>Annual general report 2012 and other publications (reports, factsheets, Napo DVDs, etc.) and promotion materials were distributed across Europe and beyond to reach our target audiences.</p> <p>Joint activities with EU Council Presidencies (Ireland and Lithuania) were carried out in order to promote OSH in Council Presidency agendas.</p>
<p><i>Source:</i> Annex supplied by the Agency.</p>	