ECHA
EUROPEAN CHEMICALS AGENCY

Consolidated Annual Activity Report of the Authorising Officer of the European Chemicals Agency for the year 2016

LIST OF ACRONYMS

BPR	Biocidal Products Regulation
CA	Contract Agent
CAAR	Consolidated Annual Activity Report
CCH	Compliance check
CLP	Classification, Labelling and Packaging
DNA	Designated National Authority
DPO	Data Protection Officer
ECA	European Court of Auditors
ECHA	European Chemicals Agency
ECM	Enterprise Content Management
ED	Executive Director
EFTA	European Free Trade Association
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
IMS	ECHA Integrated Management Standards
KPI	Key Performance Indicator
MB	Management Board
MBWG	Management Board Working Group
MNA	Mandated National Institution
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
SO4	Strategic objective 4
SME	small and medium-sized enterprise
SSR	Standard Security Requirements

TA	Temporary Agent
WSSD	World Summit on Sustainable Development

MANAGEMENT BOARD'S ANALYSIS AND 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 2017 to the Court of Auditors, the European Parliament, the Commission and the Council.

The European Chemicals Agency (ECHA) was created in 2007 to manage and steer the implementation of the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulation. As initially foreseen, REACH was implemented in 2009 together with the Classification, Labelling and Packaging (CLP) regulation. Later, the Commission decided to transfer the work on more activities and regulations to ECHA. Those new tasks started with the entry into force of the Biocidal Products Regulation (BPR) in 2013 and the Prior Informed Consent (PIC) regulation in 2014. ECHA was asked to manage the latter regulations separately from REACH/CLP and make sure that fee revenues from REACH/CLP and BPR would not be mixed.

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 1 July 2017.

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.

EXECUTIVE SUMMARY

A summary on key achievements of the year are covered by the General Report (Part I) which together with its pertinent Key Performance Indicators (KPIs) are an integral part of the Authorising Officer's report. Despite the risks and constraints in some areas, ECHA has reached almost all of its KPI targets of 2016 (26 out of 27 targets were met).

In 2016 ECHA continued implementing its Integrated Regulatory Strategy utilising all capabilities, regulatory processes and tools it has at its disposal, thus further advancing in the integration of REACH and CLP processes and published its second five years report on the operation of REACH providing input into the second review of the REACH Regulation. With regard to the preparations for 2018 registration deadline, ECHA finished the SME support packages, updates of the guidance and the upgrades of the relevant IT tools. Incoming registrations have since June 2016 to pass an enhanced completeness check.

In 2016, the fees and charges collected covered 46% of the Agency's expenditure including for the first time a high proportion of fees from authorisation applications. Managing the annual budget was more challenging than in previous years, as the magnitude of the fee-based financing

was difficult to foresee, particularly for the biocide applications. As a result, a considerable amount of the initially-foreseen EU subsidy financing was not necessary due to more favourable fee income receipts and a slight downward revision of the expenditure.

In 2016, the Agency has been able to adapt to changes in the external environment having impact on its activities and resources and has taken further steps in designing its next strategic plan for the years 2019-23.

Actions resulting from audit recommendations, as well as risks identified have been managed as high priority, thus resulting in effective risk management and continuous improvement of ECHA's management system. Following the establishment of the ex-ante and ex-post evaluations framework and approach, the first evaluations were conducted and recommendations treated as high priority by Management. The assessment of the effectiveness of the internal control systems indicates progress towards compliance with the Integrated Management Standards compared to the previous years.

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

PART II GOVERNANCE AND MANAGEMENT

2.1 Management Board

In 2016 the Management Board held four plenary sessions, one hosted by the Slovakian Presidency of the Council of the European Union. A total of 17 working group meetings were organised, mostly linked to the plenary meetings or as virtual meetings. These meetings prepared decisions or facilitated the Board's oversight function in specific areas, including the performance evaluations of the Executive Director and the members of the Board of Appeal.

Apart from adopting all statutory documents as foreseen in the applicable rules and regulations, the Management Board:

- endorsed the key planning parameters of the future building of the Agency and nominated three members to act as an advisory group on the project
- approved the implementation of the 'ECHA Cloud Services for small and medium-sized enterprises (SMEs)'
- provided an opinion on draft delegation agreement with the European Commission on the setting up an EU-wide observatory on nanomaterials, and to undertake a feasibility study for an EU Chemicals Legislation Finder.
- elected a new Chair and a new Deputy Chair
- was consulted on the Commission's vacancy notice for a new Executive Director from 2018
- approved the participation of UN sub-organisations, such as the International Agency for Research on Cancer, as observers in the work of ECHA
- took note of reports from the Secretariat about the role of the Committees in the REACH authorisation application process and of actions taken to address concerns expressed by the European Parliament in this area
- discharged its duties as appointing authority for the Executive Director and the members of the Board of Appeal
- adopted implementing rules to the Staff Regulations, to align the internal rules with the revised EU Staff Regulation

In its meetings, the Board received regular reports from the Executive Director on ECHA's activities. Also the specialised Working Groups of the Management Board gave regular reports in the area of audit, planning and reporting, dissemination and the Board of Appeal.

In terms of risks discussed with the Management Board, there have been updates provided to the working group on audit twice per year. The Management Board also discussed the risks related to the Cloud Service, stemming from technical complexities that may hinder its foreseen IT development and also the potential impact it may have on SMEs during their preparation for the 2018 deadline should the risk materialise.

In June 2016 the Management Board members participated in a 2nd workshop on the development of the future strategy of ECHA. The outcome of this workshop was used to prepare ECHA's draft Ambition towards 2025 which was, after consultation at a meeting with Member State Competent Authorities, endorsed by the Management Board in December 2016.

2.2 Major developments

ECHA continued in 2016 with the implementation of its Integrated Regulatory Strategy which brings together all regulatory processes under the REACH and CLP Regulations to achieve the aims of these Regulations, as well as contributing to meeting the 2020 goals of the World Summit on Sustainable Development (WSSD). ECHA also consulted its partners on the success factors in achieving the WSSD 2020 goals and in identifying the measures that still need to be taken to reach them.

The revised compliance check strategy of REACH registration dossiers was the starting point of the strategy. ECHA gave priority to checking substances "that matter" based on a common screening process, developed together with Member States, which identifies substances that have the greatest potential for negative impact on human health and the environment. A revision of the registration processes was undertaken to improve the availability of high-quality information in the incoming registrations and ensure that companies respect the 'one substance, one registration principle'.

Under the REACH 2018 Roadmap, which sets out the plan for effectively supporting companies with their obligations for the registration deadline of 31 May 2018, ECHA published a full support package in a format designed to guide SMEs and inexperienced companies. Moreover, enhanced mechanisms to resolve disputes between companies were put in place and new versions of all registration related IT tools were published. To further simplify the registration procedure, ECHA decided to launch "ECHA Cloud Services" in 2017 that will allow SMEs to prepare their data for registration on-line, without installing and maintaining tools on their ICT infrastructure. Via the HelpNet, ECHA has kept national helpdesks abreast of these developments. The Agency stabilised ECHA's Guidance providing advice to companies preparing for the registration deadline.

ECHA Scientific Committees issued a high number of important scientific opinions under the REACH, CLP and BPR processes. In particular, RAC and SEAC developed opinions on applications for authorisation for 63 uses. This high workload in ECHA opinion-making will continue in 2017. The Agency also started the opinion forming process for the classification of glyphosate with a public consultation in July 2016. Continued scientific support was provided to the Commission, notably in developing criteria for identifying chemicals with endocrine disrupting properties. In December 2016 ECHA started together with the European Food Safety Authority (EFSA) to draft guidance in this field.

Under ECHA's Transparency Policy, major improvements were made available to the public in 2016, including completely newly designed ECHA dissemination portal and a microsite for informing consumers about chemicals.

Furthermore, ECHA signed a delegation agreement, in line with Article 8 of the Financial Regulation, with the Commission in December 2016 to build an EU-wide observatory for nano-materials that aims at giving objective and reliable information on markets and safety aspects of nanomaterials in the EU market. ECHA also agreed with the Commission to undertake a feasibility study for developing a EU Chemicals Legislation Finder which would provide a central access point for companies to establish whether a chemical substance is regulated in the EU. Under the CLP regulation, ECHA started the work related to the notification of information to the poison centres with a number of initiatives, such as publishing new web pages with information on upcoming legal requirements website and on notification tools and support material.

ECHA reviewed several key regulatory and administrative processes to make them more impactful and leaner. This involved the launch of a review of the REACH authorisation application

process, following feedback from the European Parliament. First outcomes were reported to the Management Board in December 2016.

In June 2016, ECHA published its second five years report on the operation of REACH and CLP which provides recommendations for improving the implementation of the legislation and gives input into the second review of the REACH Regulation.

ECHA took further steps in designing its next strategic plan for the years 2019-23, through dedicated workshops and consultations with the Management Board, Member State Competent Authorities, stakeholders and staff. The work was dedicated to elaborating alternative future scenarios for ECHA and finally formulating the "ECHA ambition 2025", which was endorsed by the Management Board in December 2016. The work will continue with the same consultative mode in 2017, with the drafting of the strategic priorities 2019-2023 and the first version of the strategic plan, which will be finalised during 2018, after a period of public consultation.

During 2016 the Executive Director maintained an open dialogue with the EU institutions, in particular the European Parliament. An exchange of views with the specialised Committee of the Parliament was organised in November 2016 and regular meetings and interactions took place between the Executive Director and the appointed liaison person of the Parliament. ECHA also organised three briefing sessions for MEPs and political groups in the EP on the ECHA dissemination portal, the role of Committees in the authorisation application process and on ECHA's second report on the operations of REACH and CLP.

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 for the year. This report is drawn up, by the Accounting Officer, 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 and by an EU balancing subsidy, as referred to in Article 208 of the general Financial Regulation. In 2016, ECHA collected fee income totalling EUR 33 377 004 (EUR 23 785 474 in 2015), while the EU subsidy amounted to EUR 58 919 188 (no subsidy in 2015). Additionally, the received European Free Trade Association (EFTA) contribution totalled EUR 1 626 575 in the year.

In accordance with the Regulation on Biocidal Products (BPR, No 528/2012), ECHA is financed through fees paid by industry and a balancing EU subsidy, as referred to in Article 208 of the general Financial Regulation. In 2016, ECHA collected fee income totalling EUR 7 612 146 (EUR 5 423 667 in 2015), while the EU subsidy amounted to EUR 850 000 (EUR 5 789 000 in 2015)[1]. Additionally, the received EFTA contributions, including the one from Switzerland, totalled EUR 142 379 in the year.

In accordance with the Prior Informed Consent (PIC) Regulation (No 649/2012), ECHA is fully financed by an EU subsidy, as referred to in Article 208 of the general Financial Regulation. In 2016, this subsidy amounted to EUR 1 151 000 (EUR 1 222 001 in 2015).

The initial budgetary payment appropriations for the expenditure of 2016, as concluded by the Management Board in December 2015, amounted to EUR 107 367 309.

During the year 2016, the Management Board adopted two amending budgets. The first amending budget in June 2016 adapted the Agency's revenue estimate to the observed trend in the area of REACH/CLP Regulations, as well as increased the REACH reserve with the surplus

[1] All subsidy under the BPR was paid at the start of the year. ECHA offered the Commission to pay back EUR 2 million, however the Commission was satisfied that the unused part would be repaid in 2016.

resulting from the positive outturn of 2015. The fee income budget estimate was increased by EUR 5.7 million and the reserve by EUR 3.3 million. At the same time, the REACH expenditure was increased by EUR 3.2 million to include additional financing for the "Cloud Services for SMEs" project.

The second amending budget in September 2016 aligned the Agency's revenue estimate to the real income situation in the area of Biocidal Products Regulation. The budget estimate for Biocides fee income was increased by EUR 3.5 million, due to higher than expected numbers of active substance applications resulting from the September 2016 deadline and applications for Union authorisation. At the same time, an amount of EUR 0.8 million was added to IT expenditure in Title 4 to allow, primarily, for the further development of critical Biocides Scientific IT tools.

Budget overview (in EUR '000)

Revenue	Initial voted budget	Amending budgets	Final voted budged
Fees and subsidies	107 362	-6 135	101 226
Reserve consumption	5 500	3 339	8 839
Total revenue	**107 367**	**2 699**	**110 066**
Expenditure	**Initial voted budget**	**Amending budgets**	**Final voted budged**
Commitment appropriations	107 807	3 034	110 841
Payment appropriations	107 367	2 699	110 066

2.3.1 Revenue

The budget funding of ECHA in 2016 consisted of the following:

Description	Initial Budget 2016 €	Amending Budgets No 1 & No 2 2016 €	Final Budget €	Entitlements Established €	Revenue received €
Fees and charges from registrations	18 477 019	4 733 547	23 210 566	25 335 911	25 335 911
Fees and charges from authorisations	4 129 000	1 832 449	5 961 449	6 074 483	6 074 483
Fees SME Administration	1 180 000	570 000	1 750 000	1 723 927	1 723 927
Fees and charges from CLP	270 000	(126 000)	144 000	176 600	176 600
Fees and charges from Appeals	0	14 244	14 244	66 083	66 083
Total REACH Fee & Charges Income (incl Appeals)	**24 056 019**	**7 024 240**	**31 080 259**	**33 377 004**	**33 377 004**
Fees relating to Biocidal active substances	1 397 000	2 247 200	3 644 200	3 625 349	3 625 349
Fees for Union authorisation of Biocidal products	1 003 000	1 200 000	2 203 000	2 292 940	2 292 940
Miscellaneous fees Biocides	1 600 000	0	1 600 000	1 691 357	1 691 357
Fees and charges from appeals	0	0	0	2 500	2 500
Total BPR Fee & Charges Income (incl Appeals)	**4 000 000**	**3 447 200**	**7 447 200**	**7 612 146**	**7 612 146**
REACH subsidy	66 811 000	(7 875 000)	58 936 000	58 919 188	58 919 188
Biocide Subsidy	3 650 000	(2 800 000)	850 000	850 000	850 000
PIC Subsidy	1 151 000	0	1 151 000	1 151 000	1 151 000
EFTA Contribution - REACH	1 984 290	(357 660)	1 626 630	1 626 575	1 626 575
EFTA Contribution - BPR	98 600	(84 258)	14 342	14 342	14 342
Conferderation of Switzerland Contribution - BPR	116 400	58	116 458	128 037	128 037
Total EU contributions	**73 811 290**	**(11 116 860)**	**62 694 430**	**62 689 142**	**62 689 142**
Delegation Agreements (COSME)	**0**	**0**	**0**	**900 000**	**900 000**
Total Other income - miscellaneous	**0**	**4 584**	**4 584**	**170 708**	**548 414**
Title 9 - Reserve - REACH	**5 500 000**	**3 339 383**	**8 839 383**	**8 839 383**	**8 839 383**
Total	**107 367 309**	**2 698 547**	**110 065 856**	**113 588 382**	**113 966 088**

REACH/CLP Revenue

A) REACH/CLP Fees and Charges

The fees and charges collected by ECHA are determined by the REACH 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 2016 in terms of the cash received amounted to EUR 33 310 921 (EUR 23 757 198 in 2015). In addition, income of EUR 66 083 (EUR 28 276 in 2015) was recorded in relation to REACH appeal fees giving a total of fees and charges of EUR 33 377 004 (EUR 23 785 474 in 2015). Income from appeal fees is recognised by ECHA only when a case has been decided and the Board of Appeal rules that the fee should not be refunded to the applicant.

Approximately 43% of the budgetary income generated in 2015 relates to a small quantity, with a high monetary value, of registration dossiers for registration of substances above 1 000 tonnes and registrations for substances in the range of 100 to 1 000 tonnes. A further 18% of the income generated in 2016 relates to REACH Authorisation applications.

Approximately 10 700 registration dossiers (mainly updates) and 200 product and process orientated research and development (PPORD) notifications were received in 2016. The total number of submissions increased by 29% compared to the 2015 level. There were 33% more initial dossiers, and 28% more updates, received in 2016 than in 2015. The main reasons for the increase in registration activity are:

- For initial registrations: increased activity in registrations by companies with registration requirements for the deadline 2018 prior ECHA introducing the new IT Tools in June 2016.

- For registration updates: A campaign in spring 2016, where 2 400 letters were sent by ECHA requesting updates for CSR, uses and improved substance related information.

In 2016, the Agency received payment for 77 applications (7 in 2015) for REACH Authorisation. In addition, two applicants self-declared their company size as larger for previously paid applications generating additional income of EUR 43 280. The total REACH authorisation income collected in 2016 amounts to EUR 6 074 483 (EUR 728 239 in 2015) reflecting an average fee per application of EUR 78 327. A large proportion of the work in processing these applications will take place in 2017.

The Agency received payments for 37 applications under the CLP regulation (32 applications under Article 24 and 5 applications under CLH). The total receipts for 2016 amounts to EUR 188 600 (EUR 134 147 in 2015).

The additional registration fee income generated via the SME size verification process (included in the REACH Registration income) in 2016 amounted to EUR 1 611 101 (EUR 1 074 426 in 2015). A total of 570 enterprises (423 in 2015) were verified for their company size during the year. In addition to the additional registration fees, the Agency generated EUR 1 723 927 in administrative charges (EUR 1 174 227 in 2015) levied on companies who were not eligible for the already received rebates. The income resulting from the SME verification work was higher than initially estimated due to the additional resources applied to the work in 2016 to eliminate most of the backlog.

B) REACH/CLP Contributions:

During 2016, the Agency exhausted its reserve from previously accumulated fees and charges[2], and received a REACH/CLP subsidy of EUR 58 919 188 (no subsidy in 2015) and an EFTA contribution of EUR 1 626 575 (no contribution in 2015). Due to the higher amount of fees in 2016 and the budget outturn from 2015 of EUR 3.3 million, ECHA was able to inform the Commission in June, that the amount of subsidy totalling € 66 811 000, approved by the Management Board in December 2015, would not be required in full for the year.

Following the signature of a delegation agreement with the Commission in December 2016 to build an EU-wide observatory for Nano-materials, the Agency received an amount of EUR 800 000 for the observatory as well as EUR 100 000 for conducting a feasibility study for EU Chemicals Legislation finder. As these tasks go beyond the remit of the Regulations for which ECHA is responsible, the funds were attributed via a delegation agreement, which has its own reporting and control process.

BPR Revenue

A) BPR Fees and Charges

The biocide fees and charges collected by ECHA are determined by the Biocidal Product Regulation, the Fees and charges Regulation and by the decisions of the Management Board. The budgetary revenue from Biocidal product fees/charges, for 2016, in terms of the cash received amounted to EUR 7 609 646 (EUR 5 418 267 in 2015). In addition, income of EUR 2 500 (EUR 5 000 in 2015) was recorded in relation to BPR appeal fees giving a total of fees and charges of EUR 7 612 146 (EUR 5 423 267 in 2015) as indicated in the Table under Section 2.3.1 above.

[2] This was more than one year later than foreseen in the MFF and one of the main reasons why the planned subsidy in the EU budget totalling EUR 72.8 million as for 2016 was already from the start of the year reduced to EUR 66.8 million.

Despite the fact that the majority of the work required to process the higher than expected number of received applications will fall on the year 2017 and onwards, ECHA is required to fund this work from future income. This is because the EU contribution is a balancing contribution and the financial rules do not allow for keeping a reserve when an EU contribution is received for the year.

During 2016, ECHA did not request c. EUR 2.8 million of the EU subsidy that had initially been foreseen by the budgetary authority.

In addition, ECHA completed 25 ex-ante SME verifications (17 in 2015) under the Biocidal Product Regulation, which is a non-fee generating activity.

B) BPR Contributions

During 2016, the Agency received a subsidy of EUR 850 000 (EUR 5 789 000 in 2015) and an EFTA contribution of EUR 14 342 (EUR 162 582 in 2015). In addition, the Agency received a contribution from the Federation of Switzerland of EUR 128 037 (EUR 145 209 in 2015).

PIC Revenue

ECHA received an EU contribution for the PIC Regulation totalling EUR 1 151 000 in 2016 (EUR 1 222 000 in 2015).

Other miscellaneous income

The table below shows the other miscellaneous income received by the Agency in 2016.

Description	Entitlement established 2015 €	Entitlement established 2016 €	Revenue received €
VAT overcharge recovery	341 427	0	341 427
Legal recoveries	50 538	29 406	79 944
Carparking recovery	0	74 430	74 430
Interest generated	0	4 584	4 584
Other miscellaneous	906	57 704	43 445
Miscellaneous Income	**392 871**	**166 124**	**543 830**

Fee Invoicing 2016 (other information in accordance with Article 67 of FR)

In accordance with Article 67 of the Agency's Financial Regulation, the number of debit notes issued and their global amount shall be provided in the Agency's report on budgetary and financial management. In addition, where fees and charges are entirely determined by legislation or decisions of the Management Board, the Authorising Officer may abstain from issuing recovery orders and directly draw up debit notes after having established the amount receivable. Where the Agency uses a separate invoicing system, the Accounting Officer shall regularly, and at least on a monthly basis, enter the accumulated sum of fees and charges received into the accounts.

The Agency uses a separate invoicing and debtors system for daily transactions related to fee income namely, the REACH IT (REACH/CLP Fees and charges) and REACH-NG (Biocidal Product Fees and charges) invoicing modules. The invoices raised and the payments received are recorded in the central accounting system on a monthly basis.

A) REACH Fees and Charges

The total net invoiced by the Agency in 2016 amounted to EUR 35 123 877 (EUR 24 860 838 in 2015). The table below depicts the breakdown of the net invoiced REACH fees during the year.

REACH	2016		2015	
Description	No of Transactions	€	No of Transactions	€
Invoices issued	5 984	41 517 533	4 554	28 194 149
Credit Notes	679	(4 980 078)	387	(3 072 408)
Unpaid	167	(1 413 309)	50	(240 522)
Considered paid	15	(269)	10	(131)
Waived	0	0	1	(20 700)
Net Invoiced		**35 123 877**		**24 860 388**

It is noted that out of the credit notes mentioned above, 471 (262 in 2015) were issued to cancel the original invoices following the verification of the SME status of enterprises claiming to be entitled to fee reductions. From these credit notes, an additional net amount of EUR 3 019 191 (EUR 1 360 048 in 2015) was invoiced during 2016.

In accordance with Article 65 of the Agency's Financial Regulation, the Accounting Officer shall keep a list of the amounts due to be recovered. At the 31 December 2016, the amount to be recovered for REACH/CLP fees and charges stood at EUR 4 554 613. Included in this amount is EUR 2 482 337 relating to overdue administrative charges arising from the SME verification work.

This list shall also indicate decisions by the Authorising Officer to waive or partially waive recovery of established amounts. During 2016, bank charges were deducted by the senders' banks for 15 invoices (10 invoices in 2015) relating to REACH fee income. For management efficiency reasons, these invoices have been "considered paid" and therefore a total amount of EUR 269 (EUR 131 in 2015) has been waived.

B) Biocidal Products Fees and Charges

The total net invoiced by the Agency in 2016 amounted to EUR 8 016 095 (EUR 5 453 467 in 2015). The table below depicts the breakdown of the net invoiced fees under the Biocidal Products Regulation during the year.

BPR	2016		2015	
Description	No of Transactions	€	No Transactions	€
Invoices issued	1 701	9 296 200	1845	5 809 600
Credit Notes	65	(1 008 500)	45	(167 200)
Unpaid	132	(271 400)	118	(188 900)
Considered paid	10	(205)	2	(33)
Net Invoiced		8 016 095		5 453 467

In accordance with Article 65 of the Agency's Financial Regulation, the Accounting Officer shall keep a list of the amounts due to be recovered. At the 31 December 2016, the amount to be recovered for Biocidal product fees and charges stood at EUR 506 700.

This list shall also indicate decisions by the Authorising Officer to waive or partially waive recovery of established amounts. In 2016, bank charges were deducted by the sender's banks for 10 payments (2 cases in 2015) relating to BPR fee income. For management efficiency reasons, these invoices have been "considered paid" and, therefore, a total amount of EUR 205 (EUR 33 in 2015) has been waived.

2.3.2 Expenditure

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

Budget 2016: Breakdown & changes in commitment appropriations per Title* (€'000)

	Budget appropriations of the year				Additional appropriations			
	Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carryover	Assigned revenue	Total	Total appropr. available
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
Title 1: STAFF	66 894	(98)	(42)	66 755	0	39	39	66 793
Title 2: BUILDING EQUIPMENT AND MISCELL. OPER EXPEND	15 324	(680)	0	14 644	0	494	494	15 138
Title 3: OPERATIONAL EXPENDITURE - REACH	24 227	2 858	0	27 085	0	1 229	1 229	28 314
Title 4: OPERATIONAL EXPENDITURE - BIOCIDES	1 070	858	42	1 970	0	0	0	1 970
Title 5: OPERATIONAL EXPENDITURE - PIC	292	95	0	387	0	0	0	388
ECHA Total	**107 807**	**3 034**	**0**	**110 841**	**0**	**1 762**	**1 762**	**112 603**

Budget 2016: Breakdown & changes in payment appropriations per Title* (€'000)

	Budget appropriations of the year				Additional appropriations			
	Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carryover	Assigned revenue	Total	Total appropr. available
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
Title 1: STAFF	66 894	(98)	(42)	66 755	841	39	880	67 635
Title 2: BUILDING EQUIPMENT AND MISCELL. OPER EXPEND	15 324	(680)	0	14 644	2 452	494	2 945	17 589
Title 3: OPERATIONAL EXPENDITURE - REACH	23 787	2 523	0	26 309	7 263	1 230	8 493	34 802
Title 4: OPERATIONAL EXPENDITURE - BIOCIDES	1 070	858	42	1 970	1 550	122	1 672	3 642
Title 5: OPERATIONAL EXPENDITURE - PIC	292	95	0	387	111	0	111	499
ECHA Total	**107 367**	**2 699**	**0**	**110 066**	**12 217**	**1 885**	**14 102**	**124 167**

Budget 2016: Implementation of commitment appropriations (€'000)

	Total approp. availab.	Commitments made					Appropriations carried over 2017		
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8
Title 1: STAFF	66 793	65 740	0	27	65 767	98.%	11	0	11
Title 2: BUILDING EQUIPMENT AND MISCELL. OPER EXPEND	15 138	14 290	0	397	14 686	97.%	97	0	97
Title 3: OPERATIONAL EXPENDITURE - REACH	28 314	26 523	0	200	26 724	94.%	1 029	0	1 029
Title 4: OPERATIONAL EXPENDITURE - BIOCIDES	1 970	1 935	0	0	1 935	98.%	0	0	0
Title 5: OPERATIONAL EXPENDITURE - PIC	388	364	0	0	364	94.%	0	0	0
ECHA Total	**112 603**	**108 851**	**0**	**625**	**109 476**	**97.%**	**1 137**	**0**	**1 137**

Budget 2016: Implementation of payment appropriations (€'000)

	Total approp. availab.	Payments made					Additional appropriations			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	Carry-overs by decision	Assigned rev.	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
Title 1: STAFF	67 635	65 301	687	27	66 015	98.%	439	0	11	450
Title 2: BUILDING EQUIPMENT AND MISCELL. OPER EXPEND	17 589	12 532	2 269	342	15 143	86.%	1 757	0	152	1 909
Title 3: OPERATIONAL EXPENDITURE - REACH	34 802	15 717	6 667	142	22 526	65.%	10 086	0	1 088	11 175
Title 4: OPERATIONAL EXPENDITURE - BIOCIDES	3 642	625	1 524	122	2 270	62.%	1 310	0	0	1 310
Title 5: OPERATIONAL EXPENDITURE - PIC	499	233	109	0	342	69.%	130	0	0	131
ECHA Total	**124 167**	**94 408**	**11 255**	**633**	**106 296**	**86.%**	**13 723**	**0**	**1 252**	**14 975**

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.

Budget 2016: Implementation of differentiated appropriations (€'000)

Budget line		Available commitment appropriations	Commitments made	%	Available payment appropriations	Payments made	%
B3-111	Committees and Forum (Multiannual)	317	261	82%	14	13	93%
B3-801	Cooperation with internat organisat for IT program	2 048	2 047	100%	645	645	100%
Total		**2 365**	**2 308**	**98%**	**659**	**658**	**100%**

Title 1: staff expenditure

The initially adopted budget for Title 1 in 2016 was EUR 66.9 million and the overall decrease during the year, including transfers and amending budgets, was EUR 0.1 million to EUR 66.8 million. The final executed amount totalled EUR 65.8 million corresponding to an execution rate of 98% for the payment appropriations. The carry-over appropriations, totalling EUR 0.4 million for Title 1, mainly relate to the commitments for trainings and interim services.

An amount of EUR 154 000 carried over from the previous year (C8) was not used in payments and was cancelled (overall implementation per Title presented in Annex II).

Title 2: infrastructure expenditure

The initial Title 2 appropriations totalled to EUR 15.3 million and during the year the amount was reduced by EUR 0.2 million to EUR 15.1 million. During the year, EUR 14.7 million were committed which corresponds to execution rate of 97%.

The largest expenditure areas, apart from the rent of the building, were the IT outsourced services, the costs of security, cleaning and electricity of the building, purchases of IT hardware, software and their maintenance. The carry over appropriations, totalling EUR 1.7 million for Title 2, is mainly stemming from on-going outsourced IT services, purchase of Audio-visual equipment and building related commitments.

An amount of EUR 183 000 carried over from the previous year (C8) was not used in payments and was cancelled (overall implementation per Title presented in Annex II).

Title 3: operational expenditure REACH and CLP

Title 3 contains exclusively the operational expenditure needed to implement the REACH and CLP regulations. The initial budgeted payment appropriations amounted to EUR 23.8 million and were subsequently increased during the year by EUR 2.5 million to EUR 26.3 million. The executed commitment appropriations for 2016 were EUR 26.7 million corresponding to 94% and the appropriations carried over amounted to EUR 10.1 million representing 38% of the committed amount.

The expenditure related to IT projects and services for ECHA's operations, totalling to c. EUR 15.1 million, represents c. 50% of the total expenditure in Title 3. This IT expenditure, together with the expenditure related to Evaluation, account for c. 80% of the amounts carried over totalling EUR 10.1 million for Title 3. The significant carry-over of appropriations is largely stemming from the fact that the financing for certain large scale IT initiatives, mainly the Cloud services for SMEs, was secured only later during the year and thus the implementation could only commence during the second half of the year resulting in no payments in 2016. The carry-over appropriations in the area of Evaluation (EUR 1.1 million) mainly relate to the commitments for the substance evaluation process, which entails a 12-month period starting from the adoption of the Community rolling action plan in March, according to the REACH regulation.

An amount of EUR 596 000 carried over from the previous year (C8) was not used in payments and was cancelled. The amount is largely stemming from contracts with the Member States for substance evaluation as per MB decision 45/2014[3], where the amounts invoiced based on actual hours worked were below the maximum hours covered by the contract. This was clearly beyond the control of the Agency. Some cancelled C8 amounts stem also from certain IT projects and infrastructure (overall implementation per Title presented in Annex II).

Title 4: operational expenditure Biocides

The Biocides related operational expenditure in the initial budget totalled to EUR 1.1 million and, during the year, was increased to EUR 2.0 million. The total committed amount was EUR 1.9 million corresponding to 98% commitment rate and the carried over amount was EUR 1.3 million, representing 68% of the committed amount. The carry-over appropriations mainly stem from the large scale IT project to further develop the R4BP3 system, totalling c. EUR 1.2 million. The financing for the project was only secured during the second half of the year when sufficient fee income had been received, which has resulted in a significant carry-over of the project funds.

An amount of EUR 26 000 carried over from the previous year (C8) was not used in payments and was cancelled (overall implementation per Title presented in Annex II).

Title 5: operational expenditure PIC

The adopted budget for Title 5 was EUR 0.29 million and, during the year, was increased to EUR 0.39 million. The executed commitment appropriations amounted EUR 0.36 million corresponding to 94%, whereas the carried over amount was EUR 0.13 million (36%).

As with REACH, the expenditure related to IT services is the biggest expenditure item representing c. 90% of the total expenditure in Title 5. The carry-over of appropriations relates mainly to expenditure for support, maintenance and application management of Epic.

The amount of EUR 2 000 carried over from the previous year (C8) was not used in payments and was cancelled (overall implementation per Title presented in Annex II).

Late interest payments

[3] https://echa.europa.eu/documents/10162/17208/decision_ms_fee_transfers_en.pdf/0104391f-6ae0-4b6e-b096-f73bebe60fa5

During the year 2016, ECHA paid EUR 49.12 as a late interest for three invoices.

Transfers

During 2016, 23 transfers totalling EUR 816 000 were carried out.

Procurement procedures

In 2016, in implementation of its budget, ECHA signed 630 contracts and purchase orders. In addition, ECHA issued 406 catering orders and 703 travel orders through the electronic ordering tools of the relevant framework contracts. Out of the 630 contracts, 423 were specific contracts and orders under framework contracts and 207 were contracts resulting from new tendering procedures. A total of 26 contracts included in the latter category were signed following exceptional negotiated procedures based on the relevant rules of the Financial Regulation, 17 of which refer to legal services, two to the increase of ceiling of IT framework contracts, as foreseen in the original procurement procedure, and one to scientific services. The others mainly refer to subscriptions, participation to events and maintenance of technical installations.

The annual list of contractors is published by ECHA by 30 June of each year for the previous year to ECHA website[4].

2.4 Human resources management

In 2016, ECHA maintained a sharp focus on its human resources management practices and, in particular, on the attraction, retention and development of staff. The recruitment target of the Agency was achieved with 98% of posts filled at the end of the year for REACH/CLP, PIC and Biocides. It should be noted that this percentage cannot exceed 98% as ECHA is required to be aligned with the 2017 establishment plan as of 01 January 2017 (that is, a reduction of 10 posts (-2%) for REACH/CLP). Overall, ECHA's staff planning exercise is increasingly demanding due to the need to take account of the imposed post cuts and the continued uncertainty in the biocides area. The cumulative turnover of temporary agents further decreased to 2% in 2016 from 3.6% in 2015.

ECHA has fully implemented the imposed COM reductions for REACH/CLP in authorised staff numbers by eliminating 10 TA posts. As the Agency's workload has not decreased during 2016, ECHA continued achieving the agreed reductions through a sharper focus on workload prioritisation (and related staff allocation), efficiency gains and the implementation of robust performance management and contract renewal processes.

In the learning and development area, a new framework was implemented in 2015 and this strategic approach to learning and development was reinforced in 2016. In the career development area, a new reclassification process was designed and implemented in 2016, in line with the Commission's decision.

Following the staff satisfaction survey of 2015, a number of related corporate actions (working culture, motivation and organisational efficiency) were implemented in 2016 to address the identified developmental areas.

In 2016, the final modules of the new IT tool, the HR Portal, were rolled out to staff in the areas of learning and development, performance management and selections and recruitment. The aim of the project is to integrate the different HR processes in one tool, while improving the efficiency of the underlying processes. As a result, the HR services can retrieve the necessary data for well-informed decision-making more easily and comprehensively.

[4] https://echa.europa.eu/view-article/-/journal_content/title/annual-list-of-awarded-contracts

ECHA also started to implement the decision-making related to entitlements of staff upon recruitment and during their service at the Agency (which was previously implemented by the Commission).

Finally, the screening/benchmarking exercise was conducted at the end of 2016 (see Annex I). In comparison with the 2015 benchmarking exercise at the Agency, there was an increased percentage of operational staff (that was higher than the percentage indicated in the benchmarking results of the EU Commission). The percentage of administrative support staff is continuing to follow a descending trend, in line with the EU Commission benchmarking results.

In the area of wellbeing, a Health and Wellbeing action plan was adopted for the years 2016-2017. The plan aims at maintaining a high level of staff engagement and commitment while ensuring that absences related to sickness remain at a low level.

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: 2015, a Management Review meeting involving all Directors took place on 17 February 2017. A number of surveys, reports, audit results, non-conformities[5], complaints, risks, opportunities, evaluations and other sources of information were analysed in order to draw conclusions. The assessment of internal controls acknowledged their effectiveness and yet reinforced the commitment of the Agency to pursuing further improvements under some of the standards (see Annex III for more details).

The first building block of ECHA Integrated Management Standards, "Governance", was considered well-functioning with positive findings from audits performed in 2016 and good survey results. A need to identify the new stakeholders deriving from the new tasks the Agency is undertaking was underlined. Stakeholders' satisfaction was again proposed as a quality objective for 2017.

Work-life balance for staff continue being a priority and creating an overview of ECHA's workload to support analysis of workload distribution, in parallel to the identification of new competencies was proposed. In addition, sharing of good practices in the area of teleworking after having adopted new teleworking rules will be undertaken.

Though a lot has been done in the area of further delegating decision-making where the risks have been considered low, further challenging of the controls and steps by the relevant process owners is needed in order to build an optimal risk-based delegations system.

With regard to the second building block covering strategy, planning and risk management, the Management acknowledged the progress made in terms of simplification and alignment of planning and reporting structures with resources allocation, and in further integrating risk management at process level. They concluded to continue the critical evaluation of the control levels based on cost-risk-benefit analysis in a number of areas, among which financial and legal activities.

The fourth strategic objective was again proposed as a quality objective for 2017. Following the results from the positive certification assessment of ISO 14001:2015, it was proposed that a

[5] As per the internal and external audits conducted in 2016, there have been no major non-conformities found. The minor non-conformities raised and the observations are being addressed accordingly.

multi-year target for environmental objectives is set after performing a simulation, for which the year 2017 could be used as a baseline, and reflecting on the potential increase in travel needs, the possibilities for offsetting CO2 emissions of travels and buying green electricity, as well as the teleworking impact.

The third building block "Operations and operational structure" was reviewed with the conclusion that further progress has been made in the area of decision making and information management with better defining roles and responsibilities, promoting a cooperative decision-making approach, finalising and harmonising filing plans and integrating records management within new IT systems.

More progress is still feasible and actions for 2017 are foreseen in the area of process design and deployment, to ensure a clearer description of process interactions and to separate development/project work from process/production work. A value stream mapping methodology was proposed to assess ECHA's core processes. In the area of security and business continuity, it was proposed to undertake another disaster recovery testing before the 2018 registration deadline in order to confirm ECHA's IT systems readiness to function in a case of major disruption. It was also proposed to set a threshold to define when systematically occurring small security or business continuity incidents require a management attention.

Management noted also the good progress in the fourth building block "Evaluation and improvement". The area of monitoring and measurement has improved compared to the previous year as confirmed by a number of audits. The process for managing non-conformities was assessed apt for further improvement. The development of an IT tool foreseen for 2017 is expected to result in a leaner and easier to monitor process for non-conformity management.
In the area of analysis and evaluation, shifting the focus from the numerical data to analysis of trends, has resulted in better quarterly reviews and a well-structured and focused Management review. Positive observations were made in ISO 9001:2015 and ISO 14001:2015 audits in 2016 with regard to the structure and compliance of the management review with all applicable legislation, as well as with regard to the structure of the periodical (T1 and T2) reviews of the progress towards achieving the WP goals during the year.

In 2016, following the establishment of the evaluation framework and approach, ECHA started the work on one ex-ante and performed one ex-post evaluation as described under Section 2.10. The Management confirmed their commitment to ensure that evaluations are well integrated in ECHA's management system and taken into account in the Management decision making.
Further exchange of documents on the purpose of the audit between auditor and auditees was proposed as a measure to continue increasing the business benefits of the audits.

2.6 Budget implementation tasks entrusted to other services and entities

Not applicable

2.7 Assessment of audit results during the reporting year[6]

[6] The results of ISO 9001:2015 surveillance audit and ISO 14001:2015 certification assessment have been taken into account in the assessment of the Agency's compliance with the Integrated Management Standards (Annex III).

All "very important" audit recommendations were followed up as high priority by the Management. The important and other recommendations are equally followed up, monitored and reported for the periodical and the management reviews.

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 "Operations under the Biocidal Products Regulation in ECHA" in 2016 to assess the adequacy of the internal control system, its design and practical implementation, as set up by ECHA for ensuring effective and efficient implementation of the tasks entrusted to the Agency through the BPR. Based on the results of the audit, IAS raised three "important" recommendations. No "very important" or "critical" recommendations were issued.

The three important recommendations related to documentation of internal procedures and guidance notes; completing the procedure for calculating the workload and resource needs as well as ensuring consistency of data between the different support tools.

IAS has accepted ECHA's action plan in response to the IAS 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 2016, the IAC carried out assurance audits on follow-up to dossier evaluation, Expert groups in ECHA as well as appeal proceedings before the Board of Appeal.

<u>Follow-up to dossier evaluation</u>

- Scope: The main objective of this audit was 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 follow-up to dossier evaluation decisions.

- One very important recommendation was put forward:
  - Ensure better integration of follow-up to dossier evaluation with other REACH processes

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

<u>Expert groups in ECHA</u>

- Scope: The main objective of this audit was to assess and provide reasonable assurance on the efficiency and effectiveness of the Expert groups (Endocrine disruptor (ED) expert group, Persistent, Bioaccumulative and Toxic (PBT) expert group and Nanomaterial working group (NMWG)).

- One very important recommendation was put forward:
  - Develop a more systematic annual planning, reporting and monitoring in the Expert groups.

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

<u>Appeal proceedings before the Board of Appeal</u>

- Scope: The main objective of this audit was to assess and provide reasonable assurance on regularity and the quality of internal control systems applied as well as efficiency and

effectiveness of the Appeal proceedings before the Board of Appeal. The content of the BoA decisions was not in the scope of the audit.

- No critical or very important recommendations were put forward.
- The important recommendations related to e.g. further streamlining the process, planning and monitoring as well as document management.

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

2.7.3 European Court of Auditors (ECA)

The European Court of Auditors, as the Agency's external auditor, performed an on-site audit in September 2016 and a desk audit in February 2017 for the preparation of its opinion on the year 2016.

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 August 2015 and the contract was signed in November 2015 with Ernst & Young. The external audit was carried out in March 2016 by Ernst & Young who reported to the European Court of Auditors for the purpose of forming an opinion on the final accounts of the Agency only. In their opinion, the final annual accounts of the Agency present fairly, in all material aspects, its financial position as of 31 December 2015, and the results of its operations and its cash flow, for the year then ended and are prepared in accordance with its Financial Regulation and in accordance with the accounting rules, adopted by the Commission's accounting officer.

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 for the year ended 31 December 2016 by 1 June 2017 and shall be attached to the final accounts to be established by 1 July 2017.

2.8 Follow up of recommendations and action plans for audits

European Court of Auditors (ECA)

In the Court's preliminary observations as of 10 May 2016, the transactions underlying the annual accounts for the year ended 31 December 2015 are legal and regular in all material respects. The Agency's annual accounts present fairly, in all material respects, its financial position at 31 December 2015 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.

ECA closed the actions from previous years. Responding to the Court's comments for the year 2015, ECHA has taken relevant measures to communicate to the budgetary authorities its contribution of a social nature to the European School in Helsinki to the amount to EUR 95 000 for 2015.

Internal Audit Service (IAS)

The IAS accepted in full the implementation of all outstanding actions from the 2015 "Forecasting, Calculation and Collection of Fee Income and Charges under REACH, CLP and BPR" audit[7].

Internal Audit Capability (IAC)

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

[7] IAS Follow-up audit of the Outstanding Recommendations from the 2015 IAS Audit on Fee Income under the REACH, CLP & BPR - Note on audit conclusions Ares(2017)1266317 - 10/03/2017

The following partially implemented "very important" recommendations are pending from the audit on "Contract management and payments":

- Establish a consistent filing plan for contract management and ensure appropriate storage of all documents, including deliverables

- Improve reporting and monitoring process for contract management

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 2014 in its annual report under Article 110 of the Financial Regulation. This report was also submitted to the Management Board for information and is publicly available at: https://echa.europa.eu/documents/10162/22837330/report_echa_2014_discharge_follow-up_mb44_en.pdf/465cdd4d-73ea-36ce-da25-64a112e17b37. ECHA accepted and implemented all observations and keeps on improving its financial management in order to limit carry-overs of committed appropriations to the following financial year, in line with the budgetary principle of annuality.

2.10 Ex-ante and ex-post evaluations

Following the establishment of the framework and the first evaluation pilot in 2015, as well as agreed evaluations roadmap and the approach as reported to the 40th Management Board on 16-17 December 2015, during 2016 ECHA conducted 2 evaluations: An ex-post evaluation of the Chemical Safety Assessment (CSA) programme / Exchange Network of Exposure Scenarios where an internal evaluation coordination function (ECF), a working group of staff members involved in the process and external consultants were deployed and an ex-ante evaluation of the future options of ECHA building strategy and project. The evaluation of the CSA programme included a review from inception to implementation of the programme activities, an internal staff survey, an external survey for Industry and Member States (conducted by external consultants) and interviews with key staff and respondents to the surveys.

The key findings are that CSA Programme objectives are overall coherent with the rationale and objectives of the REACH Regulation, the Programme allowed ECHA to strengthen cross-directorate cooperation. ECHA's role as the creator and coordinator of the Programme contributed to the EU added value and relevance of the programme. The benefit of the Programme was considered to correspond well to the original objectives but the progress was relatively slow, which had an impact on the effectiveness of the Programme. The lack of coordination and an agreed practice in assigning resources also had an impact. Another shortcoming of the Programme was the lack of alignment on the governance within senior management. The industry views the roadmap products as critical in ensuring that the exposure scenarios are relevant and appreciates ENES as a CSR/ES processes discussion forum.

The main recommendations of the internal evaluators refer to reshaping the scope and focus of the CSA programme and ENES, implementation of existing tools, ensuring a clear strategy and effective/efficient governance and implementation, better communication of objectives to staff, further support of the improvement of SDSs and stakeholders support in benefiting from Programme's tools and products. The external evaluators recommend that implementation and consolidation work should be carried out to maximise the take up and use of ENES products, for which ENES needs to produce a communication plan to promote the ENES/CSR roadmap. Based on the outcome of the evaluation of the Programme ECHA's 2017-2020 programme for improving the information on uses and risk management advice generated and communicated under REACH is being generated.

The second ex-ante evaluation concerns the building project, which is still ongoing, and in line with the criteria set out in the Financial Regulation. The evaluation covers the options available including the risks, the results and impacts including economic, social and environmental, the most appropriate method of implementation, the internal coherence, the volume of the appropriations and lessons learned from similar experiences. It is expected that the project team will conclude on the most favourable approach in 2017 (lease or buy) and at that stage the ex-ante evaluation will be completed.

In addition and as foreseen in the evaluations roadmap, ECHA assessed the feasibility of using Article 117(2) Report as an ex-post evaluation of all working programme activities of the Agency with the conclusion that its structure could fit an ex-post evaluation provided that a cost-benefit analysis is introduced to the report. However, as the Commission initiated a review study to evaluate the performance of ECHA in accordance with the Common Approach and the Better Regulation guidelines, ECHA concluded that it would be a duplication of work, an inefficient use of resources and violation of the principle of proportionality to conduct a third review of ECHA's activities via Article 117(2) Report in 2016.

Following the roadmap activities, an ex-ante evaluation project template including the ex-ante criteria was developed and implemented in 2016 for all projects above EUR 1 million.

The key findings and recommendations from the evaluations and activities as described above are available in the evaluation report presented to the Management Board Audit Working Group on 12 December 2016.

PART III ASSESSMENT OF THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEMS

3.1 Risk Management

ECHA conducts an annual risk assessment exercise to identify, assess and manage the potential events that could put the achievement of the objectives defined in the annual work programme at risk.

An annual risk management exercise was conducted in 2015 in 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 2016. 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 2016.

Based on this assessment, ECHA's management identified six 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.

The Senior Management followed up the implementation and reviewed the effectiveness of the risk mitigation measures two times per year (T 1, January to April and T2, May to August). The final review of the Risk Register is performed after the year end (T3 follow up) and the analysis of the risks and mitigation measures taken is included in the Agency's CAAR for that year.

In the last follow-up done in the beginning of 2017, the Management concluded that the actions taken to mitigate the risks have been implemented according to the plan, have proved to be effective and have not lead to major secondary risks.

One of the risks with highest impact in 2016 which materialised as of 31/12/2016 was related to the achievement of the Biocides Review Programme target set at 50 opinions per year. Even though ECHA was undertaking mitigating actions such as creating guiding templates, supporting the quality of the assessment reports and using scenario planning to be able to respond to different market situations, the target of the Review programme was not met (41 out of the foreseen 50 opinions were adopted in 2016).. This was mainly due to the postponement of a number of deliverables by Member State Competent Authorities (MSCAs.

The market risk for the authorisation applications related to a potential peak of applications (more than 40) materialised in 2016 as well. 77 applications for authorisation were received thus overloading the Committees. The risk was effectively managed through flexible redeployment of REACH staff, use of RAC and SEAC members as rapporteurs and co-opted members, as well as by increasing the process efficiency (15% of time reductions achieved).

All the other risks did not impact the execution of Work programme 2016. However most of them continue to be relevant in the future.

The risk with regard to the peak in Biocides application related to insufficient resources to handle those did not materialise, however it still remains high for the coming years. Currently, it is being tackled through scenario planning and fall-back plans. Due to the higher income received than foreseen for 2016, ECHA was able to cover its expenditure, thus the financial risk did not materialize in 2016.

Clear scope and programme management has been effective in view of procuring and releasing most of the foreseen IT solutions for the year, thus avoiding to cause major delays in implementation.

The risk with regard to not meeting all objectives of the Efficiency programme was also effectively managed through timely Management support, empowering staff by delegating decisions to lower

levels where the risk was assessed to be low and raising more awareness among staff and getting more volunteers in the programme. The score of Strategic objective 4 (SO4 score) which increased by 2.3% compared to 2015 also shows that the Agency has produced more output (+1%) with less resources (-1.7%).

Risk management at process level was further strengthened during 2016 through the implementation of the "Methodology for risk assessment and cost-benefit analysis at process level" in the scope of the Efficiency programme. In 2016, there have been a number of projects under which the cost-risk-benefit methodology was applied resulting in elimination of multiple controls. Examples of those are available under Section 3.3. Specific efforts to improve the economy and efficiency of financial and non-financial activities.

3.1.1 Transparency, accountability and integrity

Transparency improvements

Transparency is one of ECHA's five core values and its continual efforts to conduct its regulatory opinion and decision making in full openness is reflected in the ECHA Approach to Transparency.

ECHA maintains one of the world's largest regulatory databases on chemicals. In January 2016 ECHA upgraded its dissemination portal to provide easier to find information on the 120 000 chemicals used in Europe today. Now the information is available in three layers of complexity: the simple infocard for consumers, the more detailed brief profile for professionals and the full source data.

Furthermore, ECHA has continuously improved its public consultation processes to make them transparent and efficient and to ensure that all relevant information becomes available early in the opinion- or decision-making processes. ECHA has identified options to further improving its consultation practices and seeks further feedback and suggestions from its stakeholders.

Prevention of Conflicts of Interest

Policy implementation

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. 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 2016.

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 22 staff members who left ECHA in 2016: ten of them went to work for another EU institution, body or agency, one for a national public authority and one for an inter-governmental organisation. Two staff members left to the private sector or started self-employment and in one of these cases, the Agency saw it necessary to impose specific conditions before authorising the new employment (it did not concern a Management post). In the remaining eight cases, the departure was due to the end of contract, unemployment after resignation, retirement or permanent invalidity. No breach of trust or disciplinary procedure was initiated in the area of conflict of interest management.

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. Management Board decision 30/2009 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. Guidelines for whistle-blowers were also adopted in June 2015.

The ECHA Anti-Fraud Strategy adopted in December 2014, included an action plan covering the years 2015-2016, which was fully implemented by the end of 2016. Some important actions implemented during 2016 include a mandatory online training on prevention of conflicts of interest and an all-staff training by the European Anti-Fraud Office (OLAF) on fraud prevention. In December 2016 the ECHA Management Board adopted an updated version of the Anti-Fraud Strategy with a focus on maintaining end further developing the anti-fraud culture in the Agency and regularly reviewing key policies and procedures.

3.1.2 Data protection

In 2016 the Data Protection Officer (DPO) focused his efforts on the advisory role and replied to 139 individual requests for advice. Specific attention was given to the following projects:

- The preparation of an ECHA cloud policy to be further refined after piloting;
- The implementation of new ways of working in ECHA (privacy questions related to the roll-out of new operating systems, mobile devices for all staff, Skype for business, etc.);
- The further development of the HR portal.

An audit of the HR record management process was carried out. Several awareness actions were organised and training of staff also got the necessary attention, with a special focus on newcomers.

In view of the upcoming reform of the legal framework regarding personal data protection, the DPO participated actively in an interinstitutional working group on Data Protection Impact Assessments to lay the groundwork for future compliance with the new legislation.

3.1.3 Security and business continuity

Currently there are 3 areas of security at ECHA following the structure adopted in 2015: It security management, physical security and business continuity.

ECHA did not suffer from any major IT security incident, i.e. confidential business information was not stolen or leaked as result of any cyber-attack. The cyber risks were mitigated and high level of IT security was maintained by delivering the following IT security services:

- Proactive vulnerability management services: IT security continuously monitored new vulnerabilities and threats, coordinated related mitigation actions (e.g. patching or other preventive actions). Vulnerability scans were regularly performed to ECHA IT infrastructure and the bespoken applications releases were security tested before moved to the production.

- Detective security monitoring and reactive incident response services: Security of ECHA IT infrastructure was actively monitored, suspected incidents and unusual events were carefully investigated, and malware infections and intrusion attempts responded professionally and timely manner before impact was escalated.

- Consultative advisory service: among many other things, IT security strongly supported IT projects and services to design new, secure solution, implement security measures and continuously maintain and improve the security of IT processes.

IT security initiated and coordinated several improvement actions. Particularly, the projects manged by IT security achieved the following results in 2016:

- ECHA new security policy on IT Contractors' remote access was fully implemented with all major IT contractors. IT contractors' compliance with the policy is continuously monitored.

- Major update to the Standard Security Requirements (SSR) for Access to ECHA's Information Systems by MSCA/MNI/DNA/European Commission: The current SSR was assessed together with a working group and contributed by all Security Officers' Network (SON) members, and based on the results of the assessment, a draft version of the new SSR prepared.

- IT security monitoring solution and capabilities were improved in order to detect intrusions to ECHA information systems in their early stage.

- A major improvement program, following the audit on "data centre assessment", with a major IT outsourcing contractor was completed.

- Several improvements to preventive security measures, for example a web application firewall was set up to protect ECHA website and other internet facing applications.

During 2016, all business continuity plans were reviewed except the plan which covers recovery planning for the IT systems due to the extensive adaptations needed after migration to Infrastructure as a Service. Such adaptions will be completed in 2017. Disaster recovery testing was successfully performed after the completion of the migration to Infrastructure as a Service. Two separate crisis management exercises were organized - one for the strategic and operational crisis management teams and one for the communication unit.

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 those 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, which practice has continued in the following years as well.

In 2016, a thorough assessment of ECHA's compliance with the Integrated Management Standards was performed, following the approach as described below:

A preliminary assessment was performed by the Directors based on staff and stakeholders surveys, audit results (including IAC and IAS audits, internal quality audits, ISO 9001:2008 certification in 2014, ISO 9001:2015 surveillance audits in 2015 and 2016 and ISO 14001:2015 certification assessment in 2016), gap analyses, ex-ante and ex-post evaluations, non-conformities, complaints, risks, opportunities, performance measurement and other reports. Those sources analysed fed the assessment of the Integrated Management standards which were first discussed by the Directors 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 taking into account the Directors' preliminary assessment. The assessment of year 2016 is presented together with the assessment of year 2015 in detail in Annex III.

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. The surveillance audit performed in November 2015 confirmed that ECHA complies with the requirements of the new ISO 9001:2015 as well. The second surveillance audit performed in November 2016, whose scope included all Agency's activities (under the REACH, Biocides and PIC Regulations) concluded that ECHA is compliant to both ISO 9001:2015 and the Environmental Management Standard ISO 14001:2015.

In 2016, ECHA continued building the foundations for its 4th Strategic objective by implementing the projects under the Efficiency Development Programme by following the established change objectives and implementing improvement actions in a number of processes. Cross-functional improvement projects were implemented in the processes of Dossier Evaluation, Substance Evaluation, Processing of External Requests, Applications for Authorisation, Planning Monitoring and Reporting. The "Procurement, contract management and financial workflows" project which started in 2014 and resulted in a significant number of steps merged and actors reduced in the financial processes, moved into continuous improvement mode early in 2016, with improvements being handled only by the process owners. Two other projects - Processing of External Requests and Application for Authorisation also met their improvement goals, reducing overall effort and improving service, and thus moved into continuous improvement mode. At the same time, two new topics (Committees & Meetings and Biocides) have been added to the portfolio, with work starting at the beginning of 2017.

The ongoing projects have also achieved significant intermediate results. For example, in Substance Evaluation, the piloting of various practices of early interaction and verification of documents has laid the foundation for a more continuous, collaborative support from ECHA towards the Member States engaged in evaluating substances. In Dossier Evaluation, the empowerment of cross-functional "scrum" teams has accelerated the development of the regulatory decisions. The transition from internal expert consultations towards more joint problem solving has further improved the balance of effort and risk in development of scientific opinions.

In almost all processes, the process improvements have been based on an analysis of the current situation, different alternatives for the to-be state based on risk-cost-benefit analysis and a re-design following a process simplification goal, e.g. cutting out low-risk steps, merging steps, limiting actors, limiting escalation of decisions thus accelerating the process, while keeping the controls effectiveness. Measurement of the achieved efficiency savings is available below:

- Dossier evaluation, where there is 15% reduction in the average process time from Compliance Check start date to outcome and 60% reduction in the process time from MSC outcome to final decision.

- Catering ordering where the process time decreased by 89% from 9 to 1 days and paper workflow was replaced by an electronic one

- Meeting reimbursements where the number of steps decreased from 7 to 4 and process time reduced by 50%.

- Invoices below EUR 5 000 where 70-80% of all payments are authorised in Finance and thus the process time reduced by 48%.

- Speaking requests workflow simplified with reduction of 9 steps from previously 16 to currently 7, with process time savings of 80% (from 250 minutes to 30 minutes) and reduction of 50% of the needed FTEs (from 0.4 to 0.2).

- Authorisation applications, where the improved process resulted in 15% reduction of the process time and 0.03 FTEs.

- Integrated Quality Management System (IQMS) workflow, used for updating Work instructions and Procedures, with the introduction of a fast track update workflow containing just 2 steps for minor process changes instead of 6.

Together with the projects initiatives, there has been also progress made in the area of competence development, with a special corporate focus dedicated to growing ECHA's capability to adapt and solve problems in an increasingly uncertain environment. Dedicated events have been organised for staff and management around the topic of creativity and co-creation, and new working practices have been piloted in various teams, such as the real-time visualisation and teamwork supported by kanbans. ECHA Corporate day in 2016 focused on creativity thus following the logic and sequence of the previous years' corporate days whose main focus was change management and efficiency.

To increase its overall efficiency, ECHA has pioneered the roll-out of a new generation of IT facilities for the workplace: lighter PCs, mobile phones, teleworking, web-meetings and instant messaging have now been enabled for all staff to support collaborative and dynamic ways of working.

In the last quarter of 2016, the Information Systems Directorate was reorganised by aggregating all activities into eight programmes. In the new programme organisation and service portfolio redesign, ECHA should be able to reduce overhead and better prioritise IT expenditure.

In 2016 ECHA continued measuring its composite score on efficiency (indicating the progress towards the achievement of the 4th Strategic objective), based on measurement of the final output of the Agency in correlation to the trend of the Agency's resources with a target of 2%. ECHA met the target realising an increase of 2.3% in 2016 compared to the previous year. The trend so far indicates that the Agency's output is increasing faster than its personnel (results are available in the General Report and in section 3.1. Risk management).

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[8]

Annex I	**Human resources statistics**
Annex II	**Statistics on financial management**
Annex III	**Assessment of ECHA Integrated Management standards**
Annex IV	**Declaration of assurance**

[8] Other annexes such as Achievements of Work programme 2016, Workload drivers and performance indicators representing the core business statistics of the Agency, Resources per activity, ECHA organisation chart, as well as the MB assessment of the Consolidated Annual Activity Report for 2016 are included in the General Report 2016. The final annual accounts for 2016 will be submitted together with the Consolidated Annual Activity Report for 2016 before 1 July 2017.

ANNEX I. HUMAN RESOURCES STATISTICS

1. Last establishment plan adopted

Category and grade	Establishment plan in voted EU Budget 2016				Posts filled 31 December 2016*				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	0	**0**	
AD 15	1		0	**1**	1	0	0	**1**	
AD 14	4		0	**4**	4	0	0	**4**	
AD 13	15		0	**15**	7	0	0	**7**	
AD 12	20	2	0	**22**	12	1	0	**13**	
AD 11	31	3	0	**34**	16	1	0	**17**	-1
AD 10	33	3	0	**36**	23	1	0	**24**	-1
AD 9	48	6	0	**54**	42	1	0	**43**	
AD 8	50	9	1	**60**	50	4	0	**54**	
AD 7	52	5	0	**57**	62	7	0	**69**	
AD 6	41	4	0	**45**	62	12	0	**74**	
AD 5	8		0	**8**	20	4	1	**25**	
Total AD	**303**	**32**	**1**	**336**	**299**	**31**	**1**	**331**	**-2**
AST 11	0		0	**0**	0	0	0	**0**	
AST 10	0		0	**0**	0	0	0	**0**	
AST 9	6		0	**6**	3	0	0	**3**	-1
AST 8	9		0	**9**	2	0	0	**2**	-1
AST 7	12	1	2	**15**	5	0	0	**5**	-1
AST 6	16		0	**16**	10	0	1	**11**	-2
AST 5	31	3	0	**34**	20	2	1	**23**	-3
AST 4	12	2	0	**14**	27	2	0	**29**	
AST 3	19	1	3	**23**	30	5	3	**38**	
AST 2	7		0	**7**	11	0	0	**11**	
AST 1	5		0	**5**	2	0	0	**2**	
Total AST	**117**	**7**	**5**	**129**	**110**	**9**	**5**	**124**	**-8**
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**	
TOTAL AD+AST	**420**	**39**	**6**	**465**	**409**	**40**	**6**	**455**	**-10**

	CA				CA			
	REACH/ CLP	Biocides	PIC	**TOTAL**	REACH/ CLP	Biocides	PIC	**TOTAL**
CA FG IV	20	4	1	25	17	7		24
CA FG III	64	8		72	58	5		63
CA FG II	18	2		20	25	1	1	27
CA FG I				0				0
TOTAL CAs in place					**100**	**13**	**1**	**114**
Total CA (FTE)	**102**	**14**	**1**	**117**	**89.54**	**10.45**	**0.88**	**100.87**

* 1 REACH TAs, 4 REACH CAs, 1 Biocides CA and 1 PIC CA under recruitment

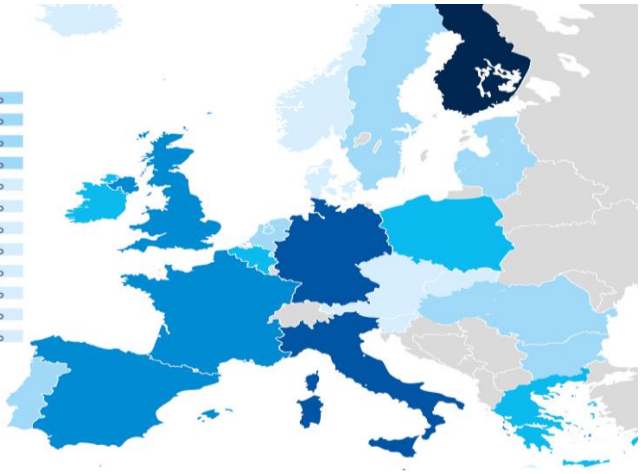
Percentage of posts filled on 31 December 2016	
	REACH/CLP/PIC/Biocides
TA posts	98%
CA posts	96%

*including one post for Nov-Dec 2016 in accordance with Art.38(2) of ECHA's Financial Regulation

2. Geographical and gender balance (as per 31.12.2016)

TA GEOGRAPHICAL BALANCE

Finnish	30.8%	Bulgarian	1.5%
Italian	7.9%	Estonian	1.5%
German	7.7%	Lithuanian	1.3%
Spanish	6.6%	Latvian	1.1%
British	6.2%	Slovenian	0.9%
French	5.1%	Slovakian	0.9%
Polish	4.6%	Czech	0.9%
Greek	4.4%	Danish	0.7%
Belgian	4.0%	Austrian	0.7%
Irish	2.9%	Maltese	0.7%
Romanian	2.0%	Iceland	0.2%
Swedish	2.0%	Liechtenstein	0.2%
Portuguese	2.0%		
Hungarian	1.8%		
Dutch	1.5%		



CA GEOGRAPHICAL BALANCE

Finnish	31.5%	Slovakian	1.9%
Romanian	10.2%	Slovenian	1.9%
French	6.5%	Portuguese	1.9%
Bulgarian	6.5%	Irish	1.9%
Greek	6.5%	Swedish	0.9%
Italian	5.6%	Estonian	0.9%
German	3.7%	Norwegian	0.9%
British	3.7%		
Belgian	3.7%		
Spanish	2.8%		
Polish	2.8%		
Czech	2.8%		
Austrian	1.9%		
Dutch	1.9%		

TA GENDER BALANCE (ECHA)

CA GENDER BALANCE (ECHA)

3. Results of the screening / benchmarking exercise

Key functions	***Type of contract (official, TA or CA)***	***Function group, grade of recruitment (or bottom of the brackets if published in brackets)***	***Indication whether the function is dedicated to administrative support or operations [*** *subject to definitions used in screening methodology****]***
CORE FUNCTIONS			
Executive Director	TA - 5 + 5 years	AD 15	Management
Deputy Executive Director	TA - 5 + 5 years + indefinite	AD 14	Management
Director (Head of Directorate) (Level 2)	TA - 5 + 5 years + indefinite	AD 13	Policy (operational)/ Administration
Head of Unit (Level 3)	TA - 5 + 5 years + indefinite	AD 9 – AD 12	Operations/ Administration
Administrator	TA - 5 + 5 years + indefinite	AD 5 – AD 9	Operations/Administration
SUPPORT FUNCTIONS			
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
SPECIAL FUNCTIONS			
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 + indefinite	AD 12	Operations
Administrative Assistant – Short term	TA - 1 + 1 year	AST 1 & AST 3	Operations/Administration

4. Benchmarking against previous year results

ECHA has undertaken the benchmarking exercise in 2016, in accordance with the Commission requirements. Overall, the percentage of the administrative support and coordination staff decreased from 2015 by 1% (which represents approximately 7 staff members), while the percentage of operational staff increased, following the same trend.

Job Type (sub) category	**2015 (%)**	**2016 (%)**
Administrative support and Coordination	**21**	**20**
Administrative Support	**16.4**	**16.4**
Coordination	**4.6**	**3.5**
Operational	**73.4**	**74.6**
General operational	**21.7**	**22.7**
Programme management	**43.5**	**44**
Top level Operational Coord	**3.6**	**3.3**
Evaluation & Impact assessment	**4.6**	**4.6**
Neutral	**5.6**	**5.4**
Finance	**5.3**	**5.1**
Control	**0.3**	**0.3**

ANNEX II. STATISTICS ON FINANCIAL MANAGEMENT

Budget 2016: Breakdown & changes in commitment and payment appropriations for the year Per Regulation and Title

EUR '000

	Commitment appropriations of the year				Payment appropriations of the year			
	Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Initial budget adopted	Amending budgets	Transfers	Final adopted budget
REACH								
Title A-1: STAFF	60 186	272	0	60 458	60 186	272	0	60 458
Title A-2: BUILDING EQUIPMENT AND MISCELL. OPER EXPEND	14 378	(659)	0	13 719	14 378	(659)	0	13 719
Title B0-3: OPERATIONAL EXPENDITURE	24 227	2 858	0	27 085	23 787	2 523	0	26 309
REACH Total	**98 791**	**2 471**	**0**	**101 262**	**98 351**	**2 136**	**0**	**100 487**
BIOCIDE								
Title A-1: STAFF	6 005	(280)	(42)	5 683	6 005	(280)	(42)	5 683
Title A-2: BUILDING EQUIPMENT AND MISCELL. OPER EXPEND	790	(15)	0	775	790	(15)	0	775
Title B0-4: OPERATIONAL EXPENDITURE - BIOCIDES	1 070	858	42	1 970	1 070	858	42	1 970
BIOCIDE Total	**7 865**	**563**	**0**	**8 428**	**7 865**	**563**	**0**	**8 428**
PIC								
Title A-1: STAFF	704	(90)	0	614	704	(90)	0	614
Title A-2: BUILDING EQUIPMENT AND MISCELL. OPER EXPEND	155	(5)	0	150	155	(5)	0	150
Title B0-5: OPERATIONAL EXPENDITURE - PIC	292	95	0	387	292	95	0	387
PIC Total	**1 151**	**0**	**0**	**1 151**	**1 151**	**0**	**0**	**1 151**
ECHA								
Title A-1: STAFF	66 894	(98)	(42)	66 755	66 894	(98)	(42)	66 755
Title A-2: BUILDING EQUIPMENT AND MISCELL. OPER EXPEND	15 324	(680)	0	14 644	15 324	(680)	0	14 644
Title B0-3: OPERATIONAL EXPENDITURE	24 227	2 858	0	27 085	23 787	2 523	0	26 309
Title B0-4: OPERATIONAL EXPENDITURE - BIOCIDES	1 070	858	42	1 970	1 070	858	42	1 970
Title B0-5: OPERATIONAL EXPENDITURE - PIC	292	95	0	387	292	95	0	387
ECHA Total	**107 807**	**3 034**	**0**	**110 841**	**107 367**	**2 699**	**0**	**110 066**

Budget 2016: Breakdown & changes in commitment appropriations

EUR '000

Item		Budget appropriations of the year				Additional appropriations			
		Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carryover	Assigned revenue	Total	Total appropr. available
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
Title A-1: STAFF									
Chapter A-11: STAFF IN ACTIVE EMPLOYMENT									
Total chapter A-11		**60 620**	**734**	**(49)**	**61 305**	**0**	**39**	**39**	**61 344**
Chapter A-12: MISCELL EXPEND ON STAFF RECRUITMENT AND TRANSFER									
Total chapter A-12		**881**	**(297)**	**7**	**590**	**0**	**0**	**0**	**590**
Chapter A-13: MISSIONS AND DUTY TRAVEL									
Total chapter A-13		**60**	**(16)**	**0**	**44**	**0**	**0**	**0**	**44**
Chapter A-14: SOCIO-MEDICAL INFRASTRUCTURE AND SOCIAL WELFARE									
Total chapter A-14		**2 096**	**(439)**	**0**	**1 657**	**0**	**0**	**0**	**1 657**
Chapter A-15: TRAINING									
Total chapter A-15		**1 135**	**(65)**	**0**	**1 070**	**0**	**0**	**0**	**1 070**
Chapter A-16: EXTERNAL SERVICES									
Total chapter A-16		**2 083**	**(2)**	**0**	**2 080**	**0**	**0**	**0**	**2 080**
Chapter A-17: ENTERTAINMENT AND REPRESENTATION EXPENSES									
Total chapter A-17		**20**	**(12)**	**0**	**8**	**0**	**0**	**0**	**8**
Total Title A-1		**66 894**	**(98)**	**(42)**	**66 755**	**0**	**39**	**39**	**66 793**
Title A-2: BUILDING EQUIPMENT AND MISCELL. OPER EXPEND									
Chapter A-20: RENTAL OF BUILDINGS AND ASSOCIATED COSTS									
Total chapter A-20		**7 604**	**(300)**	**11**	**7 316**	**0**	**423**	**423**	**7 738**
Chapter A-21: INFORMATION AND COMMUNICATION TECHNOLOGY									
Total chapter A-21		**7 066**	**(512)**	**0**	**6 555**	**0**	**13**	**13**	**6 568**
Chapter A-22: MOVABLE PROPERTY AND ASSOCIATED COSTS									
Total chapter A-22		**334**	**175**	**13**	**522**	**0**	**0**	**0**	**522**
Chapter A-23: CURRENT ADMINISTRATIVE EXPENDITURE									
Total chapter A-23		**311**	**(46)**	**(25)**	**241**	**0**	**57**	**57**	**298**
Chapter A-25: MEETINGS EXPENDITURE									
Total chapter A-25		**9**	**2**	**0**	**11**	**0**	**1**	**1**	**12**
Total Title A-2		**15 324**	**(680)**	**(0)**	**14 644**	**0**	**494**	**494**	**15 138**
Title B0-3: OPERATIONAL EXPENDITURE									
Chapter B3-0: REACH									
B3-003	Registration datasharing and dissemination	562	10	0	572	0	0	0	572
B3-004	Evaluation	1 737	(434)	0	1 302	0	0	0	1 302
B3-005	Authorisations and restrictions	735	(275)	0	460	0	0	0	460
B3-006	Classification and labelling	40	(20)	0	20	0	0	0	20
B3-007	Advice assistance through guidance and helpdesk	161	13	(8)	166	0	0	0	166
B3-008	Scientific IT tools	11 903	3 235	0	15 138	0	0	0	15 138
B3-009	Scientif technic advice to EU institut and bodies	260	(146)	0	114	0	0	0	114
B3-011	Committees and Forum	2 506	(254)	(71)	2 181	0	0	0	2 181
B3-012	Board of appeal	99	(14)	(10)	75	0	0	0	75
B3-013	Communications including translations	3 057	1 031	33	4 121	0	0	0	4 121
B3-022	Management Board and management of the Agency	1 400	(537)	56	919	0	27	27	946
B3-030	Missions	535	47	0	582	0	2	2	584
Total chapter B3-0		**22 994**	**2 656**	**0**	**25 650**	**0**	**29**	**29**	**25 679**
Chapter B3-1: Multiannual activities									
B3-111	Committees and Forum (Multiannual)	133	162	(25)	269	0	0	0	269

Budget 2016: Breakdown & changes in commitment appropriations

EUR '000

Item		Budget appropriations of the year				Additional appropriations			
		Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carryover	Assigned revenue	Total	Total appropr. available
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
Total chapter B3-1		**133**	**162**	**(25)**	**269**	**0**	**0**	**0**	**269**
Chapter B3-8: INTERNATIONAL ACTIVITIES									
B3-801	Cooperation with internat organisat for IT program	1 100	40	25	1 165	0	0	0	1 165
Total chapter B3-8		**1 100**	**40**	**25**	**1 165**	**0**	**0**	**0**	**1 165**
Chapter B3-9: EARMARKED OPERATIONS									
B3-901	IPA programme	0	0	0	0	0	0	0	0
B3-902	IPA programme agr. 2012/291-934	0	0	0	0	0	28	28	28
B3-903	IPA programme agr. 2015/361-049	0	0	0	0	0	273	273	273
B3-911	Delegated tasks	0	0	0	0	0	900	900	900
Total chapter B3-9		**0**	**0**	**0**	**0**	**0**	**1 201**	**1 201**	**1 201**
Total Title B0-3		**24 227**	**2 858**	**0**	**27 085**	**0**	**1 229**	**1 229**	**28 314**
Title B0-4: OPERATING EXPENDITURE - BIOCIDES									
Chapter B4-0: BIOCIDES									
B4-000	Substances products and technical equivalence	100	(100)	0	0	0	0	0	0
B4-007	Advice assistance through guidance and helpdesk	23	6	1	30	0	0	0	30
B4-008	Scientific IT tools	309	1 065	0	1 374	0	0	0	1 374
B4-011	Biocidal products Committee and Rapporteurs	356	(69)	24	311	0	0	0	311
B4-012	Board of Appeal	16	(4)	(6)	6	0	0	0	6
B4-013	Communications including Translations	109	(27)	33	114	0	0	0	114
B4-022	Management Board and management of the Agency	105	(34)	0	71	0	0	0	71
B4-030	Missions	53	21	(10)	64	0	0	0	64
Total chapter B4-0		**1 070**	**858**	**42**	**1 970**	**0**	**0**	**0**	**1 970**
Chapter B4-9: EARMARKED OPERATIONS									
B4-901	Preparatory work BPR 13/3938 Norwegian	0	0	0	0	0	0	0	0
Total chapter B4-9		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Title B0-4		**1 070**	**858**	**42**	**1 970**	**0**	**0**	**0**	**1 970**
Title B0-5: OPERATIONAL EXPENDITURE - PIC									
Chapter B5-0: PIC									
B5-008	Scientific IT tools	220	143	(15)	348	0	0	0	348
B5-013	Communications including Translations	59	(53)	15	21	0	0	0	21
B5-030	Missions	13	6	0	19	0	0	0	19
Total chapter B5-0		**292**	**95**	**0**	**387**	**0**	**0**	**0**	**388**
Total Title B0-5		**292**	**95**	**0**	**387**	**0**	**0**	**0**	**388**
TOTAL		**107 807**	**3 034**	**0**	**110 841**	**0**	**1 762**	**1 762**	**112 603**

Budget 2016: Breakdown & changes in payment appropriations

EUR '000

Item	Budget appropriations				Additional appropriations			
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	Total appropr. available
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
Title A-1: STAFF								
Chapter A-11: STAFF IN ACTIVE EMPLOYMENT								
Total chapter A-11	**60 620**	**734**	**(49)**	**61 305**	**0**	**39**	**39**	**61 344**
Chapter A-12: MISCELL EXPEND ON STAFF RECRUITMENT AND TRANSFER								
Total chapter A-12	**881**	**(297)**	**7**	**590**	**8**	**0**	**8**	**598**
Chapter A-13: MISSIONS AND DUTY TRAVEL								
Total chapter A-13	**60**	**(16)**	**0**	**44**	**0**	**0**	**0**	**44**
Chapter A-14: SOCIO-MEDICAL INFRASTRUCTURE AND SOCIAL WELFARE								
Total chapter A-14	**2 096**	**(439)**	**0**	**1 657**	**141**	**0**	**141**	**1 797**
Chapter A-15: TRAINING								
Total chapter A-15	**1 135**	**(65)**	**0**	**1 070**	**344**	**0**	**344**	**1 414**
Chapter A-16: EXTERNAL SERVICES								
Total chapter A-16	**2 083**	**(2)**	**0**	**2 080**	**349**	**0**	**349**	**2 429**
Chapter A-17: ENTERTAINMENT AND REPRESENTATION EXPENSES								
Total chapter A-17	**20**	**(12)**	**0**	**8**	**0**	**0**	**0**	**9**
Total Title A-1	**66 894**	**(98)**	**(42)**	**66 755**	**841**	**39**	**880**	**67 635**
Title A-2: BUILDING EQUIPMENT AND MISCELL. OPER EXPEND								
Chapter A-20: RENTAL OF BUILDINGS AND ASSOCIATED COSTS								
Total chapter A-20	**7 604**	**(300)**	**11**	**7 316**	**293**	**423**	**716**	**8 032**
Chapter A-21: INFORMATION AND COMMUNICATION TECHNOLOGY								
Total chapter A-21	**7 066**	**(512)**	**0**	**6 555**	**1 400**	**13**	**1 413**	**7 968**
Chapter A-22: MOVABLE PROPERTY AND ASSOCIATED COSTS								
Total chapter A-22	**334**	**175**	**13**	**522**	**705**	**0**	**705**	**1 227**
Chapter A-23: CURRENT ADMINISTRATIVE EXPENDITURE								
Total chapter A-23	**311**	**(46)**	**(25)**	**241**	**53**	**57**	**110**	**351**
Chapter A-25: MEETINGS EXPENDITURE								
Total chapter A-25	**9**	**2**	**0**	**11**	**1**	**1**	**1**	**12**
Total Title A-2	**15 324**	**(680)**	**(0)**	**14 644**	**2 452**	**494**	**2 945**	**17 589**
Title B0-3: OPERATIONAL EXPENDITURE								
Chapter B3-0: REACH								
B3-003 Registration datasharing and dissemination	562	10	0	572	367	0	367	939
B3-004 Evaluation	1 737	(434)	0	1 302	1 436	0	1 436	2 739
B3-005 Authorisations and restrictions	735	(275)	0	460	264	0	264	724
B3-006 Classification and labelling	40	(20)	0	20	0	0	0	20
B3-007 Advice assistance through guidance and helpdesk	161	13	(8)	166	9	0	9	175
B3-008 Scientific IT tools	11 903	3 235	0	15 138	3 846	0	3 846	18 984
B3-009 Scientif technic advice to EU institut and bodies	260	(146)	0	114	88	0	88	202
B3-011 Committees and Forum	2 506	(254)	(71)	2 181	309	0	309	2 490
B3-012 Board of appeal	99	(14)	(10)	75	34	0	34	109
B3-013 Communications including translations	3 057	1 031	33	4 121	673	0	673	4 794
B3-022 Management Board and management of the Agency	1 400	(537)	56	919	214	27	241	1 160
B3-030 Missions	535	47	0	582	22	2	24	606
Total chapter B3-0	**22 994**	**2 656**	**0**	**25 650**	**7 263**	**29**	**7 292**	**32 942**

Chapter B3-1: Multiannual activities									
B3-111	Committees and Forum (Multiannual)	14	0	0	14	0	0	0	14
Total chapter B3-1		**14**	**0**	**0**	**14**	**0**	**0**	**0**	**14**
Chapter B3-8: INTERNATIONAL ACTIVITIES									
B3-801	Cooperation with internat organisat for IT program	779	(134)	0	645	0	0	0	645
Total chapter B3-8		**779**	**(134)**	**0**	**645**	**0**	**0**	**0**	**645**
Chapter B3-9: EARMARKED OPERATIONS									
B3-901	IPA programme	0	0	0	0	0	0	0	0
B3-902	IPA programme agr. 2012/291-934	0	0	0	0	0	28	28	28
B3-903	IPA programme agr. 2015/361-049	0	0	0	0	0	273	273	273
B3-911	Delegated tasks	0	0	0	0	0	900	900	900
Total chapter B3-9		**0**	**0**	**0**	**0**	**0**	**1 201**	**1 201**	**1 201**
Total Title B0-3		**23 787**	**2 523**	**0**	**26 309**	**7 263**	**1 230**	**8 493**	**34 802**

Title B0-4: OPERATIONAL EXPENDITURE - BIOCIDES									
Chapter B4-0: BIOCIDES									
B4-000	Substances products and technical equivalence	100	(100)	0	0	0	0	0	0
B4-007	Advice assistance through guidance and helpdesk	23	6	1	30	0	0	0	30
B4-008	Scientific IT tools	309	1 065	0	1 374	1 347	0	1 347	2 721
B4-011	Biocidal products Committee and Rapporteurs	356	(69)	24	311	147	0	147	458
B4-012	Board of Appeal	16	(4)	(6)	6	0	0	0	6
B4-013	Communications including Translations	109	(27)	33	114	37	0	37	151
B4-022	Management Board and management of the Agency	105	(34)	0	71	18	0	18	89
B4-030	Missions	53	21	(10)	64	2	0	2	65
Total chapter B4-0		**1 070**	**858**	**42**	**1 970**	**1 550**	**0**	**1 550**	**3 520**
Chapter B4-9: EARMARKED OPERATIONS									
B4-901	Preparatory work BPR 13/3938 Norwegian	0	0	0	0	0	122	122	122
Total chapter B4-9		**0**	**0**	**0**	**0**	**0**	**122**	**122**	**122**
Total Title B0-4		**1 070**	**858**	**42**	**1 970**	**1 550**	**122**	**1 672**	**3 642**

Title B0-5: OPERATIONAL EXPENDITURE - PIC									
Chapter B5-0: PIC									
B5-008	Scientific IT tools	220	143	(15)	348	87	0	87	435
B5-013	Communications including Translations	59	(53)	15	21	24	0	24	44
B5-030	Missions	13	6	0	19	0	0	0	19
Total chapter B5-0		**292**	**95**	**0**	**387**	**111**	**0**	**111**	**499**
Total Title B0-5		**292**	**95**	**0**	**387**	**111**	**0**	**111**	**499**

TOTAL	**107 367**	**2 699**	**0**	**110 066**	**12 217**	**1 885**	**14 102**	**124 167**

Budget 2016: Implementation of commitment appropriations

EUR '000

Item	Total approp. availab.	Commitments made					Appropriations carried over 2017			Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
Title A-1: STAFF													
Chapter A-11: STAFF IN ACTIVE EMPLOYMENT													
Total chapter A-11	**61 344**	**60 731**	**0**	**27**	**60 758**	**99.%**	**11**	**0**	**11**	**574**	**0**	**0**	**574**
Chapter A-12: MISCELL EXPEND ON STAFF RECRUITMENT AND TRANSFER													
Total chapter A-12	**590**	**501**	**0**	**0**	**501**	**85.%**	**0**	**0**	**0**	**89**	**0**	**0**	**89**
Chapter A-13: MISSIONS AND DUTY TRAVEL													
Total chapter A-13	**44**	**41**	**0**	**0**	**41**	**93.%**	**0**	**0**	**0**	**3**	**0**	**0**	**3**
Chapter A-14: SOCIO-MEDICAL INFRASTRUCTURE AND SOCIAL WELFARE													
Total chapter A-14	**1 657**	**1 608**	**0**	**0**	**1 608**	**97.%**	**0**	**0**	**0**	**48**	**0**	**0**	**48**
Chapter A-15: TRAINING													
Total chapter A-15	**1 070**	**892**	**0**	**0**	**892**	**83.%**	**0**	**0**	**0**	**178**	**0**	**0**	**178**
Chapter A-16: EXTERNAL SERVICES													
Total chapter A-16	**2 080**	**1 960**	**0**	**0**	**1 960**	**94.%**	**0**	**0**	**0**	**121**	**0**	**0**	**121**
Chapter A-17: ENTERTAINMENT AND REPRESENTATION EXPENSES													
Total chapter A-17	**8**	**7**	**0**	**0**	**7**	**81.%**	**0**	**0**	**0**	**2**	**0**	**0**	**2**
Total Title A-1	**66 793**	**65 740**	**0**	**27**	**65 767**	**98.%**	**11**	**0**	**11**	**1 015**	**0**	**0**	**1 015**
Title A-2: BUILDING EQUIPMENT AND MISCELL. OPER EXPEND													
Chapter A-20: RENTAL OF BUILDINGS AND ASSOCIATED COSTS													
Total chapter A-20	**7 738**	**7 290**	**0**	**353**	**7 643**	**99.%**	**70**	**0**	**70**	**26**	**0**	**0**	**26**
Chapter A-21: INFORMATION AND COMMUNICATION TECHNOLOGY													
Total chapter A-21	**6 568**	**6 319**	**0**	**0**	**6 320**	**96.%**	**13**	**0**	**13**	**235**	**0**	**0**	**235**
Chapter A-22: MOVABLE PROPERTY AND ASSOCIATED COSTS													
Total chapter A-22	**522**	**489**	**0**	**0**	**489**	**94.%**	**0**	**0**	**0**	**33**	**0**	**0**	**33**
Chapter A-23: CURRENT ADMINISTRATIVE EXPENDITURE													
Total chapter A-23	**298**	**183**	**0**	**43**	**226**	**76.%**	**14**	**0**	**14**	**58**	**0**	**0**	**58**
Chapter A-25: MEETINGS EXPENDITURE													
Total chapter A-25	**12**	**8**	**0**	**1**	**9**	**76.%**	**0**	**0**	**0**	**3**	**0**	**0**	**3**
Total Title A-2	**15 138**	**14 290**	**0**	**397**	**14 686**	**97.%**	**97**	**0**	**97**	**355**	**0**	**0**	**355**
Title B0-3: OPERATIONAL EXPENDITURE													
Chapter B3-0: REACH													
B3-003	Registration datasharing and dissemination	572	534	0	0	534	93.%	0	0	0	38	0	0	38
B3-004	Evaluation	1 302	1 295	0	0	1 295	99.%	0	0	0	7	0	0	7
B3-005	Authorisations and restrictions	460	436	0	0	436	95.%	0	0	0	24	0	0	24
B3-006	Classification and labelling	20	13	0	0	13	66.%	0	0	0	7	0	0	7
B3-007	Advice assistance through guidance and helpdesk	166	161	0	0	161	97.%	0	0	0	4	0	0	4
B3-008	Scientific IT tools	15 138	14 854	0	0	14 854	98.%	0	0	0	284	0	0	284
B3-009	Scientif technic advice to EU institut and bodies	114	103	0	0	103	91.%	0	0	0	11	0	0	11
B3-011	Committees and Forum	2 181	2 147	0	0	2 147	98.%	0	0	0	34	0	0	34
B3-012	Board of appeal	75	69	0	0	69	93.%	0	0	0	6	0	0	6
B3-013	Communications including translations	4 121	4 116	0	0	4 116	100. %	0	0	0	6	0	0	6
B3-022	Management Board and management of the Agency	946	904	0	22	925	98.%	5	0	5	15	0	0	15

Budget 2016: Implementation of commitment appropriations

EUR '000

Item		Total approp. availab.	Commitments made					Appropriations carried over 2017			Appropriations lapsing			
			from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
B3-030	Missions	584	513	0	2	515	88.%	0	0	0	69	0	0	69
Total chapter B3-0		**25 679**	**25 145**	**0**	**24**	**25 169**	**98.%**	**5**	**0**	**5**	**505**	**0**	**0**	**505**
Chapter B3-1: Multiannual activities														
B3-111	Committees and Forum (Multiannual)	269	213	0	0	213	79.%	0	0	0	56	0	0	56
Total chapter B3-1		**269**	**213**	**0**	**0**	**213**	**79.%**	**0**	**0**	**0**	**56**	**0**	**0**	**56**
Chapter B3-8: INTERNATIONAL ACTIVITIES														
B3-801	Cooperation with internat organisat for IT program	1 165	1 165	0	0	1 165	100. %	0	0	0	0	0	0	0
Total chapter B3-8		**1 165**	**1 165**	**0**	**0**	**1 165**	**100. %**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Chapter B3-9: EARMARKED OPERATIONS														
B3-901	IPA programme	0	0	0	0	0	0.%	0	0	0	0	0	0	0
B3-902	IPA programme agr. 2012/291-934	28	0	0	28	28	100. %	0	0	0	0	0	0	0
B3-903	IPA programme agr. 2015/361-049	273	0	0	149	149	55.%	124	0	124	0	0	0	0
B3-911	Delegated tasks	900	0	0	0	0	0.%	900	0	900	0	0	0	0
Total chapter B3-9		**1 201**	**0**	**0**	**177**	**177**	**15.%**	**1 024**	**0**	**1 024**	**0**	**0**	**0**	**0**
Total Title B0-3		**28 314**	**26 523**	**0**	**200**	**26 724**	**94.%**	**1 029**	**0**	**1 029**	**561**	**0**	**0**	**561**
Title B0-4: OPERATIONAL EXPENDITURE - BIOCIDES														
Chapter B4-0: BIOCIDES														
B4-000	Substances products and technical equivalence	0	0	0	0	0	0.%	0	0	0	0	0	0	0
B4-007	Advice assistance through guidance and helpdesk	30	30	0	0	30	100. %	0	0	0	0	0	0	0
B4-008	Scientific IT tools	1 374	1 362	0	0	1 362	99.%	0	0	0	13	0	0	13
B4-011	Biocidal products Committee and Rapporteurs	311	307	0	0	307	99.%	0	0	0	4	0	0	4
B4-012	Board of Appeal	6	6	0	0	6	99.%	0	0	0	0	0	0	0
B4-013	Communications including Translations	114	113	0	0	113	99.%	0	0	0	1	0	0	1
B4-022	Management Board and management of the Agency	71	58	0	0	58	82.%	0	0	0	13	0	0	13
B4-030	Missions	64	59	0	0	59	92.%	0	0	0	5	0	0	5
Total chapter B4-0		**1 970**	**1 935**	**0**	**0**	**1 935**	**98.%**	**0**	**0**	**0**	**35**	**0**	**0**	**35**
Chapter B4-9: EARMARKED OPERATIONS														
B4-901	Preparatory work BPR 13/3938 Norwegian	0	0	0	0	0	0.%	0	0	0	0	0	0	0
Total chapter B4-9		**0**	**0**	**0**	**0**	**0**	**0.%**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Title B0-4		**1 970**	**1 935**	**0**	**0**	**1 935**	**98.%**	**0**	**0**	**0**	**35**	**0**	**0**	**35**
Title B0-5: OPERATIONAL EXPENDITURE - PIC														
Chapter B5-0: PIC														
B5-008	Scientific IT tools	348	331	0	0	331	95.%	0	0	0	17	0	0	17
B5-013	Communications including Translations	21	20	0	0	20	99.%	0	0	0	0	0	0	0
B5-030	Missions	19	13	0	0	13	65.%	0	0	0	7	0	0	7
Total chapter B5-0		**388**	**364**	**0**	**0**	**364**	**94.%**	**0**	**0**	**0**	**23**	**0**	**0**	**23**
Total Title B0-5		**388**	**364**	**0**	**0**	**364**	**94.%**	**0**	**0**	**0**	**23**	**0**	**0**	**23**
TOTAL		**112 603**	**108 851**	**0**	**625**	**109 476**		**1 137**	**0**	**1 137**	**1 990**	**0**	**0**	**1 990**

Budget 2016: Implementation of payment appropriations

EUR '000

Item	Total approp. availab.	Payments made					Additional appropriations				Appropriations lapsing			
		fr. final adopt. budget	from carry-overs	from assig. rev.	Total	%	Autom. carry-overs	Carry-overs by decision	Assigned rev.	Total	from final budget	from carry-overs	from assig. rev.	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
Title A-1: STAFF														
Chapter A-11: STAFF IN ACTIVE EMPLOYMENT														
Total chapter A-11	**61 344**	**60 731**	**0**	**27**	**60 758**	**99.%**	**0**	**0**	**11**	**11**	**574**	**0**	**0**	**574**
Chapter A-12: MISCELL EXPEND ON STAFF RECRUITMENT AND TRANSFER														
Total chapter A-12	**598**	**458**	**5**	**0**	**463**	**77.%**	**43**	**0**	**0**	**43**	**89**	**3**	**0**	**92**
Chapter A-13: MISSIONS AND DUTY TRAVEL														
Total chapter A-13	**44**	**39**	**0**	**0**	**39**	**89.%**	**2**	**0**	**0**	**2**	**3**	**0**	**0**	**3**
Chapter A-14: SOCIO-MEDICAL INFRASTRUCTURE AND SOCIAL WELFARE														
Total chapter A-14	**1 797**	**1 526**	**110**	**0**	**1 636**	**91.%**	**82**	**0**	**0**	**82**	**48**	**31**	**0**	**79**
Chapter A-15: TRAINING														
Total chapter A-15	**1 414**	**798**	**287**	**0**	**1 085**	**77.%**	**94**	**0**	**0**	**94**	**178**	**57**	**0**	**235**
Chapter A-16: EXTERNAL SERVICES														
Total chapter A-16	**2 429**	**1 743**	**286**	**0**	**2 028**	**83.%**	**217**	**0**	**0**	**217**	**121**	**63**	**0**	**184**
Chapter A-17: ENTERTAINMENT AND REPRESENTATION EXPENSES														
Total chapter A-17	**9**	**7**	**0**	**0**	**7**	**78.%**	**0**	**0**	**0**	**0**	**2**	**0**	**0**	**2**
Total Title A-1	**67 635**	**65 301**	**687**	**27**	**66 015**	**98.%**	**439**	**0**	**11**	**450**	**1 015**	**154**	**0**	**1 169**
Title A-2: BUILDING EQUIPMENT AND MISCELL. OPER EXPEND														
Chapter A-20: RENTAL OF BUILDINGS AND ASSOCIATED COSTS														
Total chapter A-20	**8 032**	**6 954**	**281**	**308**	**7 542**	**94.%**	**336**	**0**	**115**	**451**	**26**	**13**	**0**	**38**
Chapter A-21: INFORMATION AND COMMUNICATION TECHNOLOGY														
Total chapter A-21	**7 968**	**5 130**	**1 260**	**0**	**6 390**	**80.%**	**1 190**	**0**	**13**	**1 202**	**235**	**140**	**0**	**375**
Chapter A-22: MOVABLE PROPERTY AND ASSOCIATED COSTS														
Total chapter A-22	**1 227**	**285**	**688**	**0**	**973**	**79.%**	**205**	**0**	**0**	**205**	**33**	**17**	**0**	**50**
Chapter A-23: CURRENT ADMINISTRATIVE EXPENDITURE														
Total chapter A-23	**351**	**156**	**39**	**34**	**229**	**65.%**	**27**	**0**	**24**	**50**	**58**	**14**	**0**	**72**
Chapter A-25: MEETINGS EXPENDITURE														
Total chapter A-25	**12**	**8**	**0**	**1**	**9**	**75.%**	**0**	**0**	**0**	**0**	**3**	**0**	**0**	**3**
Total Title A-2	**17 589**	**12 532**	**2 269**	**342**	**15 143**	**86.%**	**1 757**	**0**	**152**	**1 909**	**355**	**183**	**0**	**537**
Title B0-3: OPERATIONAL EXPENDITURE														
Chapter B3-0: REACH														
B3-003	Registration datasharing and dissemination	939	417	361	0	778	83.%	117	0	0	117	38	6	0	44
B3-004	Evaluation	2 739	183	1 201	0	1 385	51.%	1 112	0	0	1 112	7	235	0	242
B3-005	Authorisations and restrictions	724	257	224	0	481	66.%	179	0	0	179	24	40	0	64
B3-006	Classification and labelling	20	13	0	0	13	66.%	0	0	0	0	7	0	0	7
B3-007	Advice assistance through guidance and helpdesk	175	161	8	0	169	97.%	0	0	0	0	4	1	0	6
B3-008	Scientific IT tools	18 984	8 057	3 674	0	11 731	62.%	6 798	0	0	6 798	284	172	0	456

Budget 2016: Implementation of payment appropriations

EUR '000

Item		Total approp. availab.	Payments made					Additional appropriations				Appropriations lapsing			
			fr. final adopt. budget	from carry-overs	from assig. rev.	Total	%	Autom. carry-overs	Carry-overs by decision	Assigned rev.	Total	from final budget	from carry-overs	from assig. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
B3-009	Scientif technic advice to EU institut and bodies	202	78	77	0	156	77.%	25	0	0	25	11	11	0	22
B3-011	Committees and Forum	2 490	1 445	239	0	1 684	68.%	702	0	0	702	34	70	0	104
B3-012	Board of appeal	109	23	27	0	51	47.%	46	0	0	46	6	7	0	13
B3-013	Communications including translations	4 794	3 376	671	0	4 047	84.%	740	0	0	740	6	2	0	8
B3-022	Management Board and management of the Agency	1 160	584	161	14	760	65.%	319	0	12	332	15	53	0	69
B3-030	Missions	606	464	22	2	488	81.%	49	0	0	49	69	0	0	69
Total chapter B3-0		**32 942**	**15 059**	**6 667**	**16**	**21 743**	**66.%**	**10 086**	**0**	**12**	**10 099**	**505**	**596**	**0**	**1 101**
Chapter B3-1: Multiannual activities															
B3-111	Committees and Forum (Multiannual)	14	13	0	0	13	93.%		0	0	0	1	0	0	1
Total chapter B3-1		**14**	**13**	**0**	**0**	**13**	**93.%**		**0**	**0**	**0**	**1**	**0**	**0**	**1**
Chapter B3-8: INTERNATIONAL ACTIVITIES															
B3-801	Cooperation with internat organisat for IT program	645	645	0	0	645	100.%		0	0	0	0	0	0	0
Total chapter B3-8		**645**	**645**	**0**	**0**	**645**	**100.%**		**0**	**0**	**0**	**0**	**0**	**0**	**0**
Chapter B3-9: EARMARKED OPERATIONS															
B3-901	IPA programme	0	0	0	0	0	0.%	0	0	0	0	0	0	0	0
B3-902	IPA programme agr. 2012/291-934	28	0	0	28	28	100.%	0	0	0	0	0	0	0	0
B3-903	IPA programme agr. 2015/361-049	273	0	0	97	97	36.%	0	0	176	176	0	0	0	0
B3-911	Delegated tasks	900	0	0	0	0	0.%	0	0	900	900	0	0	0	0
Total chapter B3-9		**1 201**	**0**	**0**	**125**	**125**	**10.%**	**0**	**0**	**1 076**	**1 076**	**0**	**0**	**0**	**0**
Total Title B0-3		**34 802**	**15 717**	**6 667**	**142**	**22 526**	**65.%**	**10 086**	**0**	**1 088**	**11 175**	**506**	**596**	**0**	**1 102**
Title B0-4: OPERATIONAL EXPENDITURE - BIOCIDES															
Chapter B4-0: BIOCIDES															
B4-000	Substances products and technical equivalence	0	0	0	0	0	0.%	0	0	0	0	0	0	0	0
B4-007	Advice assistance through guidance and helpdesk	30	30	0	0	30	100.%	0	0	0	0	0	0	0	0
B4-008	Scientific IT tools	2 721	188	1 344	0	1 532	56.%	1 174	0	0	1 174	13	3	0	15
B4-011	Biocidal products Committee and Rapporteurs	458	259	124	0	383	84.%	48	0	0	48	4	23	0	27
B4-012	Board of Appeal	6	0	0	0	0	3.%	5	0	0	5	0	0	0	0
B4-013	Communications including Translations	151	49	37	0	86	57.%	64	0	0	64	1	0	0	1
B4-022	Management Board and management of the Agency	89	47	18	0	65	73.%	11	0	0	11	13	1	0	13
B4-030	Missions	65	52	1	0	53	81.%	7	0	0	7	5	0	0	6
Total chapter B4-0		**3 520**	**625**	**1 524**	**0**	**2 148**	**61.%**	**1 310**	**0**	**0**	**1 310**	**35**	**26**	**0**	**62**
Chapter B4-9: EARMARKED OPERATIONS															
B4-901	Preparatory work BPR 13/3938 Norwegian	122	0	0	122	122	100.%	0	0	0	0	0	0	0	0
Total chapter B4-9		**122**	**0**	**0**	**122**	**122**	**100.%**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Title B0-4		**3 642**	**625**	**1 524**	**122**	**2 270**	**62.%**	**1 310**	**0**	**0**	**1 310**	**35**	**26**	**0**	**62**
Title B0-5: OPERATIONAL EXPENDITURE - PIC															
Chapter B5-0: PIC															
B5-008	Scientific IT tools	435	218	85	0	303	70.%	113	0	0	113	17	2	0	19

Budget 2016: Implementation of payment appropriations

EUR '000

Item		Total approp. availab.	Payments made					Additional appropriations				Appropriations lapsing			
			fr. final adopt. budget	from carry-overs	from assig. rev.	Total	%	Autom. carry-overs	Carry-overs by decision	Assigned rev.	Total	from final budget	from carry-overs	from assig. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
B5-013	Communications including Translations	44	4	24	0	28	64.%	16	0	0	16	0	0	0	0
B5-030	Missions	19	11	0	0	11	56.%	2	0	0	2	7	0	0	7
Total chapter B5-0		**499**	**233**	**109**	**0**	**342**	**69.%**	**130**	**0**	**0**	**131**	**23**	**2**	**0**	**26**
Total Title B0-5		**499**	**233**	**109**	**0**	**342**	**69.%**	**130**	**0**	**0**	**131**	**23**	**2**	**0**	**26**
TOTAL		**124 167**	**94 408**	**11 255**	**633**	**106 296**	**86.%**	**13 723**	**0**	**1 252**	**14 975**	**1 935**	**961**	**0**	**2 896**

ANNEX III. ASSESSMENT OF ECHA INTEGRATED MANAGEMENT STANDARDS

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 2015	Is the requirement fulfilled - Assessment 2016
Senior Management shall define the Agency's Mission from the perspective of the Agency's Stakeholders.	Yes ---------- *Main references:* *ECHA Integrated Management System Manual (MAN-0001)* *ECHA's Quality Policy (POL-0001)* *Annual and multiannual working programmes*	Yes ---------- *Main references:* *ECHA Integrated Management System Manual (MAN-0001)* *ECHA's Quality Policy (POL-0001)* *Annual and multiannual working programmes*
The Mission shall be communicated and explained to the entire organisation and to its Stakeholders.	Yes In accordance with the Staff survey conducted in 2015, staff commitment to ECHA's mission has increased from 73% in 2013 to 77% in 2015 on the average. The mission is clearly defined and communicated across the Agency (on ECHA internal and external website, noticeboards etc.) and staff is aware of it. There has been a positive trend on how the staff see their own work contributing to ECHA's mission (increased from 74% in 2013 to 77%).	Yes According to the Directors' self-assessment of the IMS as of December 2016, ECHA's mission statement is clear, strong and easily understood and communicated to both staff and stakeholders.

1.2 Ethical and organisational 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 2015	Is the requirement fulfilled - Assessment 2016
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.	Yes The Agency has defined corporate values and they have been communicated largely, discussed in Unit meetings, published on the information screens. 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. The corporate and fraud risk assessment exercises were combined in one in 2015 with a result of no specific fraud risks identified. In 2015, there has been almost 50% decrease compared to 2013 in the interventions dealt by the confidential counsellors, which is a good indication of the effectiveness of their work and the internal policy on harassment. --- *Main references:*	Yes ECHA attaches great importance to its core value of independence and has since many years implemented strict controls via its policy on Prevention and Management of Conflicts of Interest. The external stakeholders of the Agency, including also its institutional stakeholders, demand a continued strong focus on this topic to guarantee regulatory output free from bias. ECHA also further fostered the anti-fraud culture in the Agency via the implementation of its anti-fraud action plan 2015-2016, including in 2016 e.g. an all-staff presentation by OLAF on fraud prevention. The Anti-Fraud Strategy was also consolidated by the Management Board in December 2016. The draft discharge report for 2015 points out that ECHA has implemented a robust conflict of interest policy and detailed anti-fraud strategy in order to contribute to a culture of high ethical behaviour among the staff and experts working for the Agency, but not has set up specific rules on obligations after leaving the service for its experts and staff. --- *Main references:*

	ECHA's Anti-fraud strategy [MB/60/2014] *ECHA's Code of Good Administrative Behaviour [MB/11/2008]* *Management Board policy for managing conflicts of interest [MB/45/2011]* *WIN-0105 Prevention of Conflicts of Interest* *MB/42/2012/D final Prevention of psychological and sexual harassment in the European Chemicals Agency* *Staff survey 2015*	*ECHA's Anti-fraud strategy [MB/60/2014]* *ECHA's Code of Good Administrative Behaviour [MB/11/2008]* *Management Board policy for managing conflicts of interest [MB/45/2011]* *WIN-0105 Prevention of Conflicts of Interest* *MB/42/2012/D final Prevention of psychological and sexual harassment in the European Chemicals Agency* *Draft discharge report for 2015*
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.	Mostly According to the Staff survey 2015, 78% of ECHA's staff (vs 72% in 2013) believe and support ECHA's corporate values. Since 2013 many actions have been taken in promoting an atmosphere of openness and trust, among which dedicating a management seminar to that topic in September 2015. Further actions will be followed in 2016.	Yes During 2016, actions such as a temporary rotation of Directors during 3 months and intensification of management seminars were taken in order to give opportunities for improvement in the area of trust in Management.

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 2015	Is the requirement fulfilled - Assessment 2016
The Agency shall have an Integrated Management System combining quality and internal control requirements and ensuring the efficiency and effectiveness of the controls imposed.	Yes In 2014, ECHA received ISO 9001:2008 certification. In 2015, ECHA underwent the ISO 9001:2015 surveillance audit which assessed Management commitment to be at a good level; roles, responsibilities and authorities well defined in the organisation; and the Management system based on a logical concept and clear structure complying with the ISO 9001:2015 requirements. The quality policy was assessed by the ISO 9001:2015 surveillance audit and was considered well communicated to ECHA staff and available on ECHA web site. ISO 9001:2015 certification is planned to be extended to include the Biocides activities in 2016. Further efforts were made towards ensuring efficiency of the controls imposed (see point 2.2.Risk Management). --- *Main reference:* *Integrated Management Standards [MB 36/2013]* *ECHA Integrated Management System Manual (MAN-0001)* *ECHA Financial Regulation MB/WP/03/2014* *ISO 9001:2008 certificate*	Yes In 2016, ECHA underwent a surveillance audit to assess the continuous compliance of ECHA management system to the requirements of ISO 9001:2015 and to extend the scope of the certification to cover the Biocides Regulation, thus covering all ECHA activities. In addition, the auditors performed a certification assessment against the requirements of the environmental management system standard ISO 14001:2015. The conclusions of the audit were mostly positive, confirming the assessment of 2015, with no major non-conformity found, and ECHA was considered compliant to both standards. The IAS audit on the BPR operations performed in 2016 concluded that the design and the practical implementation of the internal control system in ECHA in relation to the processes/activities under the BPR is effective and efficient. --- *Main reference:* *Integrated Management Standards [MB 36/2013]* *ECHA Integrated Management System Manual (MAN-0001)* *ECHA Financial Regulation MB/WP/03/2014*

	ISO 9001:2015 surveillance audit	*ISO 9001:2015 surveillance audits in 2015 and 2016* *ISO 14001:2015 assessment*
The Agency shall have a system of delegation of powers appropriate to the importance, number and risks of the decisions to be taken.	Mostly In 2015, implementation of sub-delegations and new workflows where the risk was assessed to be low and the effectiveness of controls preserved continued both under the Efficiency programme and as a separate initiative. E.g. in the dossier evaluation activities in 2013 many sub-delegations were made to Head of Unit level, in 2014 sub-delegations to Team Leader level were added, while in 2015 the focus was more on implementing and monitoring the new workflows. Still, more actions are foreseen in 2016 in order to ensure an optimal system of delegation of powers. --- *Main references:* *Efficiency programme* *Delegation and sub-delegation register* *PRO-0059 Internal decision-making and delegation of power*	Yes In 2016, further efforts were made towards using delegation of powers as a means for gaining efficiency where the risk was assessed to be low and the effectiveness of controls preserved. Implementation of sub-delegations continued in the evaluation activity: further sub-delegations to Team Leader level were added. Other activities, such as Human Resource management also took new initiatives to use sub-delegations as a tool to gain efficiency in 2016. For example, in the area of entitlements of statutory staff, the decision-making was lowered down 3 steps, with a result to make the process flow efficiently when taken over this task from PMO. Further efforts towards ensuring efficiency of the controls imposed are presented under standard 2.2. Risk Management. --- *Main references:* *Efficiency programme* *Delegation and sub-delegation register* *PRO-0059 Internal decision-making and delegation of power*

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 2015	Is the requirement fulfilled - Assessment 2016
The Agency shall have rigorous selection procedures ensuring recruitment of competent staff and provisions ensuring staff development	Yes In line with the results of ISO 9001:2008/2015 audit where the auditors pointed out that ECHA's staff competence is at excellent level, the Staff survey 2015 shows increase in competence from 79% in 2013 to 81% in 2015 and in the ability to cooperate (from 54% in 2013 to 60% in 2015 respectively). In 2015, ECHA-level prioritised group learning and development needs were collected from the Directors, presented to the DCM and published on ECHAnet. Those constitute the ECHA-level Learning and Development Plan. The monitoring of the plan is done quarterly in terms of whether the training has taken place and whether the staff member considers it useful. In 2014, ECHA implemented the Commission's system for reclassification of Contract Agents (CAs) which allowed CAs promotion for the second time in 2015 and which is expected to help reducing the CAs turnover. --- *Main references:* *ED/99/2014 Learning and Development Framework* *Commission Decision C(2013) 2529 of 03.05.2013*	Yes According to the ISO 9001:2015 and ISO 14001:2015 audits in 2016, ECHA has excellent competence in both planning and implementation, which was also the conclusion of the ISO 9001:2008/2015 audits in 2014 and 2015. The learning and development framework (established in 2014 and implemented in 2015) was used in 2016 to improve organisational performance through dedicated competence development efforts at personal, Unit, and corporate level. A promotion system for Contract Agents, applied for the first time in 2014, repeated in 2015 and 2016, is expected to help further reducing the CAs turnover. Compared to 2013 when the CA turnover was 12.5%, in 2015 it dropped to 7.6% and in 2016 to 7%, which indicates that measures taken have so far been effective. --- *Main references:* *ED/99/2014 Learning and Development Framework* *Management Board decision MB/24/2014*

	Management Board decision MB/24/2014 *POL-0020 Staff retention policy* *PRO-0035 Selection and recruitment of statutory staff (management posts)* *PRO-0036 Selection and recruitment of statutory staff (non-management posts* *PRO-0038 Organisation and management of ECHA staff training* *WIN -0158 Publication of Vacancy Notices and the nomination of Selection Committees* *WIN- 0157 Coordination of selection procedures for statutory staff (non-management)* *ISO 9001:2008 audit* *ISO 9001:2015 surveillance audit* *Staff Survey 2015*	*POL-0020 Staff retention policy* *PRO-0036 Selection and recruitment of statutory staff* *PRO-0038 Organisation and management of ECHA staff training* *WIN -0158 Publication of Vacancy Notices and the nomination of Selection Committees* *WIN- 0157 Coordination of selection procedures for statutory staff (non-management)* *ISO 9001:2015 surveillance audits in 2015 and 2016* *ISO 14001:2015 assessment*
Senior Management shall ensure that the staff performance is monitored and assessed in an objective, equal and transparent way.	Yes Staff survey 2015 has indicated improvement in staff motivation and job satisfaction – 56% in 2015 from 52% in 2013. The recognition of personal contribution has also increased from 69% in 2013 to 74% in 2015. In 2015, there were no legal appeals related to the performance appraisal last year and only 1 request for review was made to the Joint committee for appraisal and reclassification resulting from the staff appraisal exercise. A new system of appraisal, which is much more consistent with the Commission's system was adopted	Yes Following the Commission's system for reclassification, a new reclassification process for temporary and contract agents was designed and carried out in 2016. The staff opinion on the new system for reclassification will be gathered in the next Staff Survey planned for 2017. So far, the results from the previous Staff Survey show satisfaction with the recognition of personal contribution, which has increased from 69% in 2013 to 74% in 2015. In 2016, there were no legal appeals related to the performance appraisal for the reference period 2015.

	by the MB of ECHA in June 2015 and will be implemented in ECHA as of 2016. ---------- *Main references:* *ECHA's Regulatory Science Strategy* *PRO-0037 Organisation of performance appraisal exercise* *Staff survey 2015*	---------- *Main references:* *ECHA's Regulatory Science Strategy* *PRO-0037 Organisation of performance appraisal exercise* *Staff survey 2015*
The Agency shall have provisions to ensure a good work-life balance and an adequate working environment for its staff members	Mostly In 2015, teleworking was also made more widely available to staff by setting proper security arrangements and integrating the teleworking request as an electronic form in the new Human Resources Management System (HRMS). Based on the agreed refurbishment plan with the landlord, major projects have been completed in 2015 without major disruption of ECHA's normal work process or worsening of the air quality. Thus, the corporate risk as identified in 2015 has been under control throughout the year. Still, a number of building related issues remain for the coming years and those will be addressed as part of the Building 2020 project.	Yes Some of the measures to ensure a better work-life balance adopted by the Management refer to new teleworking rules, effective as of February 2017. The new rules follow relevant information security arrangements set already in 2015 and allow for 50% of structural teleworking and 5 days of occasional teleworking with possibilities for remote participation in meetings via Skype for Business or teleconferences. 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, some of which were completed in both 2015 and 2016. ECHA also decided to launch a survey on the air quality whose results will be available in 2017. In 2016 ECHA launched a call for tender for the selection of a service provider for the construction or the lease of a new building in the area of Helsinki. The procurement as well as all other building related matters are addressed as part of the Building 2020 project.

	---------- *Main references:* *Rules of procedure of the Staff Committee* *Teleworking rules* *ED/74/2012 as of 26/04/2012 Terms of Reference of the Joint Committee on Health and Wellbeing* *PRO-0044 Maintenance of premises and equipment*	---------- *Main references:* *Rules of procedure of the Staff Committee* *Revised teleworking rules* *ED/74/2012 as of 26/04/2012 Terms of Reference of the Joint Committee on Health and Wellbeing* *PRO-0044 Maintenance of premises and equipment*

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 2015	Is the requirement fulfilled - Assessment 2016
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	Yes ISO 9001:2015 surveillance audit concluded that the Agency is collecting and using the stakeholders feedback in a good way, which confirms their initial finding during the certification audit in 2014 that ECHA is committed to its stakeholders, to building good relations with them and gathering their feedback, and that stakeholders are defined widely and maintained at good level. The stakeholders survey of 2015 shows improvement in the stakeholders satisfaction in most of the areas, with the highest improvement in the level of satisfaction of MSCA with ECHA's support for substance evaluation	Yes The ISO 9001:2015 surveillance audit concluded that the Agency is collecting and using the stakeholders feedback in a good way, which confirms their initial finding during the certification audit in 2014 that ECHA is committed to its stakeholders, to building good relations with them and gathering their feedback, and that stakeholders are defined widely and maintained at good level. In 2016 ECHA upgraded its website to reach out to smaller companies and expanded the use of social

	(followed by the stakeholders' satisfaction with the information received by ECHA and ECHA's commitment to stakeholders). Though Biocides is a comparatively new process where some working practices are still being modified, stakeholders seem satisfied with the level of scientific, technical and administrative support, provided to the members of the BPC, CG, and to the Commission, MSCAs and industry. --- *Main references:* *MB/61/2014 ECHA's approach to Transparency* *WIN-0145 Stakeholder Survey coordination and Management* *LIS -0014 Task list for the management of the Stakeholders' Day event* *ISO 9001:2008 audit* *ISO 9001:2015 surveillance audit* *IAC audits* *External communication strategy of ECHA – MB/66/2011 from 15/12/2011* *PRO-0047 Management of the relations with ECHA Stakeholders* *WIN-0074 Accredited Stakeholder Application Management* Stakeholders survey 2015	media and drew additional audiences' attention to the ECHA website. Overall, the results of the Stakeholder Survey 2016 consisting of both an external and internal survey reflect a positive view of the Agency's activities, with most performance indicators indicating a high satisfaction level, and thus meeting the target level of quality objective N° 2 "Stakeholders satisfaction" – "High". --- *Main references:* *WIN-0145 Stakeholder Survey Coordination and Management* *LIS -0014 Task list for the management of the Stakeholders' Day event* *ISO 9001:2015 surveillance audits in 2015 and 2016* *ISO 14001:2015 assessment* *External communication strategy of ECHA – MB/66/2011 from 15/12/2011* *PRO-0047 Management of the relations with ECHA Stakeholders* *WIN-0074 Accredited Stakeholder Application Management* Stakeholders surveys 2015 and 2016

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 2015	Is the requirement fulfilled - Assessment 2016
The Agency shall have a corporate vision and strategy expressed in multiannual work programmes and translated to annual work programmes	Yes --- *Main references:* *Annual and multiannual work programmes*	Yes --- *Main references:* *Annual and multiannual work programmes*
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.	Mostly In view of further optimising the Agency's planning and reporting, the structure of the Annual Work Programme (AWP) 2016 structure was changed to more logically group and present ECHA's activities to the general public. Other measures, such as reviewing the number of baseline figures and performance indicators and creating a database with all metrics of the Agency were undertaken in 2015 following the recommendations of the audit on key performance indicators (KPI) and the feasibility study on planning and reporting, both conducted in 2014. The purpose of those measures was to clean duplicate metrics and to remove/replace metrics with little added value compared to the cost of their production. In addition, a new Unit Level Template (ULP) was created, with a result to better cascade the Work	Yes For the 2016 Work Programme, ECHA has adopted a new activity structure for its corporate plans and reports, with the aim to better link objectives, actions, and relevant human and financial resources, around action areas which produce impact. In parallel, significant effort has been put into streamlining the planning and reporting content and working practices at ECHA. During 2016, ECHA has also drafted the 2017 plan, executing the transition from Annual Work Programme to Single Programming document (which includes a multi-year forecasting dimension). This has determined an increase in planning content, due to the additional multi-annual forecasting dimension added to the annual planning cycle. However, the transition has been

	programme objectives to Unit level, create automation between different Excel databases, minimize the manual and remove the duplicate input. Still, there is more progress to be done in 2016, as ISO 9001:2015 surveillance audit found that the relationship between objectives and indicators is not always clear or logical. Some of the recommendations under the IAC KPI audit will be addressed in 2016 as well. --- *Main references:* *Models and measurement of the 4 strategic objectives* *Annual and multiannual work programmes* *PRO-0080 IQMS planning* *Multi-annual staff policy plans* *Unit level plans* *ECHA Financial regulation* *PRO-0013 Planning and reporting*	managed without significant increase in resources by streamlining the procedures, concentrating the planning in specific periods of the year, and more tightly linking objectives, budget and human resources planning. --- *Main references:* *Models and measurement of the 4 strategic objectives* *Annual and multiannual work programmes* *PRO-0080 IQMS planning* *Multi-annual staff policy plans* *Unit level plans* *ECHA Financial regulation* *PRO-0013 Integrated Planning, Monitoring and Reporting*
The Agency shall ensure that human and financial resources are allocated based on the Agency's objectives and workload and aligned with the organisational	Yes In 2015, the Agency has made progress in cascading the Work Programme objectives to the Unit objectives and in aligning top down and bottom up resource allocations. Between the future goals of the planning and reporting project for the coming years is the testing of an IT tool, which could be potentially used for activity planning and resource allocation and replace the current Excel systems in house.	Yes The reporting and resourcing practices have been streamlined in 2016. The workload drivers and indicators have been simplified and consolidated, with focus on prioritised KPIs that best support decision making. The reporting cadence and content has also been better aligned with the decision making moments and the needs of internal and external stakeholders. An ICT analysis has also been conducted in 2016, resulting in the decision to implement a database for

structure and the principles of efficiency, effectiveness and economy.	---------- *Main references:* *PRO-0013 Planning and reporting*	ECHA's corporate objectives and indicators, which will be developed in 2017. The development will follow a focused approach, concentrating the investment in the most added-value parts of the data model, those where integrity and linking of data is most important. ---------- *Main references:* *PRO-0013 Integrated Planning, Monitoring and Reporting*

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 2015	Is the requirement fulfilled - Assessment 2016
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.	Yes As per ISO 9001:2015 surveillance audit, risks and opportunities are well managed, in parallel to the work programme and changes are implemented in a well-controlled manner.	Yes According to the ISO 14001:2015 certification audit in 2016, both risks and opportunities associated with environmental threats and positive environmental impacts are evaluated. The positive environmental impacts /objectives are handled and monitored through quality objectives and targets. Similarly, according to the ISO 9001:2015 surveillance audit, auditors confirmed that risks and opportunities are well managed, in parallel to the work programme and changes are implemented in a well-controlled manner.

	---------- *Main references:* *ED decision on Risk Management in ECHA ED/65/2015* *Risk Management in the Commission – Implementation guide*	---------- *Main references:* *ED decision on Risk Management in ECHA ED/65/2015* *Risk Management in the Commission – Implementation guide* *ISO 9001:2015 surveillance audits in 2015 and 2016* *ISO 14001:2015 assessment*
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.	Mostly In 2015, there have been a number of projects under which the cost-risk-benefit methodology was applied resulting in elimination of multiple controls. Examples with their relevant measurements of time savings are available under Section 3.1. Risk Management of the CAAR. ---------- *Main references:* *Methodology for risk assessment and cost-benefit analysis at process level* *Efficiency development programme*	Yes As a result of risk assessment and cost-benefit analysis and following the ED decision on risk management ECHA ED/65/2015, the number of steps and controls decreased in a number of workflows in 2016, some examples are listed in Section 3.3. Specific efforts to improve the economy and efficiency of financial and non-financial activities. ---------- *Main references:* *Methodology for risk assessment and cost-benefit analysis at process level* *Efficiency development programme* *ISO 9001:2015 surveillance audits in 2015 and 2016* *ISO 14001:2015 assessment*

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 2015	Is the requirement fulfilled - Assessment 2016
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	Yes The surveillance audit of ISO 9001:2015 concluded that roles, responsibilities and authorities are well defined in the organisation. In 2015, improvement was made on how Directors Coordination Meetings decisions are proposed, recorded and communicated. --- *Main references:* *ED decisions for delegations of financial, scientific and administrative powers* *Delegation and sub-delegation register*	Yes The surveillance audit of ISO 9001:2015 performed in 2015 concluded that roles, responsibilities and authorities are well defined in the organisation. In 2016, ECHA launched a revision of decision-making practices in the area of IT projects and services, with the idea of grouping of projects and services with similar objectives, to allow for economies of scale and efficiency in coordination and decision-making. The cooperative approach to decision making and mutual understanding was further enhanced through a rotation programme for Directors, who swapped in pairs for periods of three months. The programme received a positive feedback by both Directors and staff. --- *Main references:* *ED decisions for delegations of financial, scientific and administrative powers* *Delegation and sub-delegation register*

	PRO-0059 Internal decision-making and delegation of power *ISO 9001:2008 audit* *ISO 9001:2015 surveillance audit*	*PRO-0059 Internal decision-making and delegation of power* *ISO 9001:2015 surveillance audits in 2015 and 2016* *ISO 14001:2015 assessment*

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 2015**	**Is the requirement fulfilled - Assessment 2016**
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.	Mostly The surveillance audit of ISO 9001:2015 found that the description of interaction of processes in the high level process map of ECHA Integrated Management Standards (IMS Manual at ECHA is not clear. Also, the relationship between process and regulation was assessed not to give a clear picture of what the main process is. A recommendation to clarify the main process structure to make it less complicated was made and will be followed in the course of 2016.	Mostly The ISO 9001:2015 and ISO 14001:2015 audits in 2016 found that the process structure, as well as the description of the process interactions, has improved compared to the previous year when the same auditors made the remark that the description of interaction of processes in the high level process map of ECHA IMS Manual at ECHA was not clear. The updated manual shows the interaction between the data management processes and the operational processes that produce regulatory outputs and other outputs requested by stakeholders. Still, in 2016, this continues being the area with the highest number of non-conformities. The IAS audit on the BPR operations performed in 2016 found that ECHA has established processes and procedures, as well as tools that enable it to carry out the

	---------- *Main references:* *LIS-0009 ECHA Activity and Process Structure* *Efficiency programme* *ISO 9001:2008 audit* *ISO 9001:2015 surveillance audit*	many tasks entrusted to it through this Regulation. Still, some gaps in the BPR process documentation (e.g. in guidance) entail the risk of potentially ineffective implementation of the Regulation. ---------- *Main references:* *LIS-0009 ECHA Activity and Process Structure* *Efficiency programme* *IAS audit* *ISO 9001:2015 surveillance audits in 2015 and 2016* *ISO 14001:2015 assessment*

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 2015**	**Is the requirement fulfilled - Assessment 2016**
The Agency shall have a Security and Business continuity policy and plans that are regularly tested to ensure	Mostly A new ECHA security framework was adopted in 2015, changing a number of structures and tasks. Currently there are 3 areas of security: • Information security	Mostly In 2016, ECHA implemented a new security policy on IT Contractors' remote access, updated the Standard Security Requirements (SSR) for Access to ECHA's Information Systems by MSCA/MNI/DNA/European Commission, improved IT security monitoring solution to

uninterrupted operations, continuity and everyday protection of the Agency's staff and information with respect to different scenarios of major disruptions	• ICT security managing the outsourced data centre. Many improvement actions have been implemented in 2015 following the audit on "Data centre assessment" • Physical security which is consolidated with the facility services In 2015, the decentralised organisation has brought responsibility closer to the operations; However, the competence of responsible persons and the detailed processes would need to be further developed. The level of security compliance with ECHA standards in some MSCAs remains an area for further improvement which will be addressed in 2016. --- *Main references:* *POL-0004 Business Continuity Management Policy* *PLA-0001 ECHA Crisis Management Plan (tested annually in Crisis Exercises)* *POL-0002 Security Policy Statement* *ED/97/2010 Security Organisation*	detect intrusions to ECHA information systems in their early stage and made several improvements to preventive security measures (e.g. on ECHA website). The major improvement program, following the audit on "Data centre assessment, with a major IT outsourcing contractor was completed. In 2016, ECHA did not suffer from any major IT security incident, i.e. confidential business information was not stolen or leaked as result of any cyberattack. During year 2016 all business continuity plans were reviewed except the plan which covers recovery planning for the ICT systems. Two separate crisis management exercises were organized - one for the strategic and operational crisis management teams and one for the communication unit. There have been a number of audit findings in the area of emergency preparedness both in the ISO 9001:2015 surveillance audit and ISO 14001:2015 certification audit and the internal quality audit on the EMS, pointing out that the list of fire wardens is not kept up to date, emergency signs are only in Finnish or not visible and the rescue plan has obsolete information and no authority for approval defined. --- *Main references:* *POL-0004 Business Continuity Management Policy* *PLA-0001 ECHA Crisis Management Plan (tested annually in Crisis Exercises)* *POL-0002 ECHA Security Policy* *ED/97/2010 Security Organisation*

	ED/29/2008 Security Rules and related procedures *ED/125/2012 Rules for access to the ECHA premises* *PRO-0033 Video-surveillance at the ECHA premises* *POL-0006 Information Security Policy* *POL-0005 Classification and Handling of ECHA Information Policy* *POL-0011 Use of ICT Facilities Policy* *PRO-0065 ECHA ICT Security Management System* *HAN-0011 Handbook on Practical instructions for handling of ECHA equipment (lost items) and access to ECHA premises* *ED/24/2009 Instructions for the use of ECHA Conference Centre*	*ED/29/2008 Security Rules and related procedures* *ED/125/2012 Rules for access to the ECHA premises* *PRO-0033 Video-surveillance at the ECHA premises* *POL-0007 Information Management and Security Policy* *PRO-0010 Control of Documents and Records including Classification and Handling of ECHA Information (Annex to be added: ECHA Retention Schedule)* *PRO-0085 Access to ECHA Information* *POL-0011 Use of ICT Facilities Policy* *PRO-0065 ECHA ICT Security Management System* *HAN-0011 Handbook on Practical instructions for handling of ECHA equipment (lost items) and access to ECHA premises* *ED/24/2009 Instructions for the use of ECHA Conference Centre* *ISO 9001:2015 surveillance audits in 2015 and 2016* *ISO 14001:2015 assessment*

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 2015	Is the requirement fulfilled - Assessment 2016
The Agency shall conduct regular assessments that the information available in the Agency's Management system is fit for purpose.	Yes Following the recommendations of the ISO 9001:2008 audit in 2014, simplification and integration of relevant information management documentation, took place in 2015. On ECHAnet, the control on the content and documents was significantly improved.	Yes In 2016 The ISO 9001:2015 surveillance audit and ISO 14001:2015 certification audit in 2016 assessed ECHA management system and did not find any weaknesses in the information and document management system of ECHA.
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.	Mostly As of 31/12/2015, the procedure for control of documents and records was implemented: retention periods were defined for most of the records, filing plans were developed and implemented, and records migrated to DMS (the Shared Drives were closed), thus responding to the ISO 9001:2008 audit recommendations and closing this recurrent issue in IAC audits as well. NC-CAPA report as of 2015 also shows improvement in the area of documents and records. A number of IT projects are on-going in order to improve the operational process management and facilitate the implementation of the information management policies. The records management tool is now fully integrated with Dynamic Case to manage the permanent records of the Agency and a more secure external collaboration platform (S-CIRCA BC) was taken into use. ----------	Yes The recommendations of the ISO 9001:2008 audit in 2014 with regard to the procedure for control of documents and records were implemented in both 2015 and 2016, by defining retention periods for most records, developing and implementing filing plans and migrating records to DMS. To tackle the cumbersome mail registration process, in 2016 ECHA made some significant changes in Dynamic Case so as to re-enforce its use as a registration tool avoiding duplication with SharePoint Mail Registry. In 2016, work to further optimise data management in the Agency included a pilot project for mapping the "chemical universe" which has delivered its first results and the single point of entry improvement project that has been concluded. The latter project aimed at better channelling all the incoming requests to the right services in an efficient manner. ----------

	Main references: *ISO 9001:2008 audit* *ISO 9001:2015 surveillance audit* *ED 86/2014 Electronic storage of documents in ECHA* *POL- 0007 Information Management Policy* *PRO-0010 Control of Documents and Records including Classification and Handling of ECHA Information (Annex to be added: ECHA Retention Schedule)* *LIS-0009 Activity and Process Structure with Common Nomenclature and Ownerships* *LIS – 0012 ECHA Default Metadata*	*Main references:* *ISO 9001:2015 surveillance audits in 2015 and 2016* *ISO 14001:2015 assessment* *ED 86/2014 Electronic storage of documents in ECHA* *POL- 0007 Information Management Policy* *PRO-0010 Control of Documents and Records including Classification and Handling of ECHA Information (Annex to be added: ECHA Retention Schedule)* *LIS-0009 Activity and Process Structure with Common Nomenclature and Ownerships* *LIS – 0012 ECHA Default Metadata*

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 2015**	**Is the requirement fulfilled - Assessment 2016**
The Agency shall have adequate monitoring and measurement structures to ensure the accuracy, completeness and	Mostly The surveillance audit of ISO 9001:2015 found that although the monitoring, measurement and analysis of the Management system is well structured, and results are collected and reported to the management, corrective actions and improvements are not consistently documented. In addition, the audit found	Yes In 2016 after having changed the WP structure and after having performed a thorough review of the performance indicators and baseline figures in order to remove duplicates and focus on value-add, ECHA managed to establish more informative and visual reporting focused on crucial operations, work in process

timeliness of data and related information used for producing its reports.	that the relationship between unit objectives and indicators is not always clear or logical. In order to address those, in 2015 ECHA reviewed the Work programme indicators and baseline figures from a cost-benefit perspective, created a database of all metrics in house, aligned the timing of a number of reporting obligations and automated the Unit level reporting template which will be in use for the year 2016. In addition, testing of the proof of concept of an IT tool to further streamline and automate the existing monitoring and measurement structures is foreseen for 2016. Those actions followed also the recommendations of the KPI audit and the feasibility study, both conducted in 2014 (for more details, see 2.1. Objectives planning and resource allocation). --- *Main references:* *ISO 9001:2008 audit* *ISO 9001:2015 surveillance audit* *Annual and multiannual work programmes* *ECHA Financial Regulation* *General financial regulation and implementing rules* *Annual budget* *European Union accounting rules* *REACH regulation (including implementing Fee regulations)* *PRO-0013 Planning and reporting*	and tracking of milestones. Also the link between each activity objective and performance indicators was further strengthened through a thorough revision of existing indicators and introduction of new ones, measuring the effort and average time needed per one output. This new more analytical reporting allowed Management to take faster decisions and focus on corrective actions. In that way, the observation from ISO 9001:2015 audit that corrective plans need to be more consistently implemented and the recommendations of the KPI audit on defining specifications of all metrics in house and integrating the metrics and reporting (both audits from 2015) have been closed. --- *Main references:* *ISO 9001:2015 surveillance audits in 2015 and 2016* *ISO 14001:2015 assessment* *Annual and multiannual work programmes* *ECHA Financial Regulation* *General financial regulation and implementing rules* *Annual budget* *European Union accounting rules* *REACH regulation (including implementing Fee regulations)*

		PRO-0013 Planning and reporting
The Agency shall have adequate controls to capture, manage and report on non-conformities and suggestions for improvements, including handling of corrective actions.	Mostly In 2015, the NC–CAPA tool was improved by adding information about root-cause analysis and categorisation of NCs, which helps with drawing more structured conclusions on the areas to which the NCs refer. Still, the process has some drawbacks mainly with regard to the user-friendliness of the tool used. A feasibility study on the existing strengths and weaknesses of the action management processes at ECHA (incl. audits, NCs, risks, DCM actions) was performed in 2015. Among the recommendations of the study which refer to aligning and streamlining all action management processes at ECHA, a number of potential IT solutions are proposed which may potentially replace the existing NC-CAPA (Remedy) tool. --- *Main references:* *PRO-0079 Preventive and risk-based approach to management* *PRO-0015 Nonconformities, Corrective and Preventive Action*	Mostly According to the ISO 9001:2015 surveillance audit and ISO 14001:2015 certification audit in 2016, the nonconformity process in Remedy is not working well enough and needs further efforts. Use of Remedy was assessed very complicated and difficult to use. Even though efforts were made to more consistently categorise NCs and perform root cause analysis in 2016 compared to previous years, the overall activity of NCs management seems to be slowing down (in particular the action management and the follow up of actions). This was also a shortcoming found in the ISO 9001:2015 and ISO 9001:2008 audits from previous years referring to inconsistent implementation of corrective plans and actions. --- *Main references:* *ISO 9001:2015 surveillance audits in 2015 and 2016* *ISO 14001:2015 assessment* *PRO-0079 Preventive and risk-based approach to management* *PRO-0015 Nonconformities, Corrective and Preventive Action*

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 2015	Is the requirement fulfilled - Assessment 2016
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.	Mostly In 2015, the focus shifted from providing purely numerical data to analyses and trends identification, as well as to exceptional and risk-based reporting. Those analyses aim at facilitating the decision-making of the Management in particular at the time of the quarterly and Management reviews. --- *Main references:* *PRO-0016 Management review* *ECHA Integrated Management System manual (MAN-0001)* *Quarterly reviews at DCM* *Management review*	Yes In 2016, following the focus on analysis, rather than purely numerical data, ECHA revised its way to perform quarterly reviews and adopted the so-called T1/T2 reviews, where focus on objectives at risk and visual data presentation allowed for faster decision-making. Positive observations both with regard to the structure and compliance of the management review with all applicable legislation and the T1/T2 reviews were made in the ISO 9001:2015 and ISO 14001:2015 audits in 2016. The action lists from both reviews and their implementation were also listed as positive observations. The project management processes and in particular the project closure were considered to work well including a number of success criteria "in use, not in use, meets objectives, in schedule". --- *Main references:* *ISO 9001:2015 surveillance audit in 2016* *ISO 14001:2015 assessment* *PRO-0016 Management review*

		ECHA Integrated Management System manual (MAN-0001) *T1/T2 reviews* *Management review*
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.	Mostly Following the Commission's guidelines and the FR requirements setting the evaluation limits, ECHA's framework and approach to evaluations was presented to the MBWG on audit on 15 December 2015 and reported to the 40th MB on 16-17 December 2015. The approach is described in detail in Section 2.10 Ex-ante and ex-post evaluations of the CAAR. --- *Main references:* *ECHA FR and Implementing rules* *PRO-0018 Project Management* *PRO-0026 IT Governance bodies, roles and functions* *PRO- 0027 IT Governance and Process Description* *Better Regulation Guidelines of the Commission*	Mostly Following the establishment of the evaluation framework and the pilot in 2015, the first ex-ante and ex-post evaluations were performed and the results presented to the Management Board. Results are available in Section 2.10. Ex-ante and ex-post evaluations of the CAAR --- *Main references:* *ECHA evaluation framework and roadmap* *ECHA FR and Implementing rules* *PRO-0026 IT Governance bodies, roles and functions* *PRO- 0027 IT Governance and Process Description* *Better Regulation Guidelines of the Commission*

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 2015	Is the requirement fulfilled - Assessment 2016
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.	Yes The Independent External Validation of IAC conducted in 2015 concluded that the IAC of ECHA's structure, policies and procedures, as well as the processes with which these are applied, conform with both attribute and performance standards and the objectives with which they have been formulated. The highest level of assessment "generally conformant" was granted to IAC. --- *Main references:* *Independent External Validation audit of IAC* *Audit Work Programme* *IAC Annual Work Plan* *Audit follow-up table* *PRO-0020 Internal audit of the Internal audit capability (IAC)* *PRO-0014 Internal IQMS audit*	Yes Positive observations with regard to the internal (IQMS) audit planning and execution were made in the ISO 9001:2015 and ISO 14001:2015 audits in 2016. Similarly, the Independent External Validation of IAC, conducted in 2015, found that ECHA's internal audit structure, policies and procedures, as well as the processes with which these are applied, conform to both attribute and performance standards and the objectives with which they have been formulated. --- *Main references:* *Independent External Validation audit of IAC* *Audit Work Programme* *IAC Annual Work Plan* *Audit follow-up table* *PRO-0020 Internal audit of the Internal audit capability (IAC)* *PRO-0014 Internal IQMS audit*

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.

ANNEX IV. DECLARATION OF ASSURANCE OF THE EXECUTIVE DIRECTOR

I, the undersigned,

Geert DANCET

Executive Director of the European Chemicals Agency

In my capacity as 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 lessons learnt from the reports of the Court of Auditors[9] for years prior to the year of this declaration.

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

Done at Helsinki, on 15 March 2017

signed

Geert DANCET

Executive Director

[9] *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.*