

## Periodic review of Management Board Subgroups

### 67<sup>th</sup> Meeting of the Management Board 29 Sept 2022

#### Proposal

The Management Board (MB) is invited to review its standing subgroups, with respect to their number and type, mandate, main tasks and composition.

Board members are invited to consider the following questions for the review:

- Do the subgroups cover the main areas on which the Board requires advice and preparatory work?
- Are there overlaps between the topics discussed or opportunities for efficiencies?
- Do subgroups effectively assist the MB to make best use of members' time and focus on strategic matters in plenary meetings?
- Is the subgroups' membership balanced and does it reflect their respective workload?
- Is the functioning of subgroups transparent towards Board members who are not taking part in them?

Board members are invited to address these questions in the MB meeting or in writing, prior to the meeting or after, by 31 October 2022. The MB Chair may propose changes to the subgroups' Terms of Reference in the December 2022 MB meeting to reflect the input received.

In this context, the MB is also invited to adopt the revised composition of its subgroups. Two new members expressed their wish to join the Subgroup Strategy, Planning and Implementation: Oscar GONZALEZ SANCHEZ (ES) and Heidi MORKA (Observer appointed by Norway).

#### Background

The MB established standing subgroups in December 2019, to provide input and advice in the key areas of the Board's attention. This was result of the review of MB working methods in 2018.

<b>Finance, Audit and Risk (FAR)</b>	<b>Strategy, Planning and Implementation (SPI)</b>	<b>Board of Appeal (BoA)</b>	<b>Reporting Officers (RO) BoA</b>	<b>Reporting Officers (RO) ED</b>
Advice on all audit matters, provides financial oversight and steer for corporate risk management	Contribution to annual and multiannual planning, resource allocation and reporting, steer in performance management and review	All BoA matters	Probationary and annual appraisal, reclassification	Probationary and annual appraisal, reclassification

The roles and responsibilities of the five standing subgroups are summarised in Annex 1.

The MB's Code of Governance foresees a review of the terms of reference of the subgroups every two years and this exercise fulfils this requirement.

## Functioning of the subgroups

### Powers and work of the subgroups

The MB subgroups prepare the Board's decisions but do not take decisions themselves<sup>1</sup>. They act within their mandates, defined in their terms of reference, which is adopted by the MB.

### Transparency

The chairs of the subgroups report to the following MB plenary meeting. The meeting agendas of all subgroup meetings are circulated to all members on S-CIRCABC<sup>2</sup>. Board members not participating in a specific subgroup may request from the secretariat the documents sent to the participants. The terms of reference of all subgroups are published on [ECHA's website](#).

### Ad hoc subgroups

In general, ad hoc topics of Board relevance, are, as a first step, included in a standing subgroup. In case this is not possible, ad hoc subgroups are established following the same principle (i.e. with terms of reference adopted by the MB). These are established for an initial duration of six months, i.e. covering two Board meetings. Following a report back to the plenary, the outcomes are reviewed and the mandate prolonged if required.

Since 2019, two ad hoc subgroups were established: for the mid-term review of ECHA's Strategic Plan and for the selection and appointment of the Executive Director. Both concluded their work.

### Meetings and composition

Subgroups agree on their working methods within the boundaries of their terms of reference. Their composition is adopted by the MB, further to Board members expressing their interest, with the aim of including members with different backgrounds (in legal and administrative matters). Subgroups are open to all Board members, as well as their persons of trust in exceptional cases. Subgroups meet remotely unless they take place back-to-back to a physical MB plenary meeting.

Standing MB subgroups	Number of members <sup>3</sup>	Average number of meetings in 2020-2022
<b>Finance, Audit and Risk (FAR)</b>	11	3
<b>Strategy, Planning and Implementation (SPI)</b>	15	3,6
<b>Board of Appeal (BoA)</b>	5	6,5 (2020 exceptional year)
<b>Reporting Officers for the Board of Appeal (BoA)</b>	3	2,5
<b>Reporting Officers for the Executive Director</b>	3	1

<sup>1</sup> The only exception is related to a routine matter for the Subgroup BoA, to which the MB decided (MB Decision 9/2020) to delegate the responsibility of approving upcoming profiles and vacancy notices for BoA members.

<sup>2</sup> Except for the Reporting Officers (staff matters are highly restricted).

<sup>3</sup> Including the proposed appointments in this meeting.

## Elements to consider as part of the review

Generally, Boards establish subgroups to increase the efficiency of the full Board in cases where they must process more issues of Board-relevance than can be adequately covered in plenary meetings. Another reason is the high complexity of topics to be covered, which requires specialised advice that can be sought from Board members who acquire expertise and experience by active participation in subgroups<sup>4</sup>. In recent years, a number of reflections were proposed around these topics, including:

A study published by the Policy Department for Budgetary Affairs of the **European Parliament** in October 2021 included among the recommendations that "To reduce the risk of MB meetings being overloaded, the filtering mechanisms of working groups should be used more extensively to deliberate on specific issues and prepare documents for the plenary sessions."<sup>5</sup>

As part of the responses provided by **ECHA MB members** during the 2021 periodic review of the full MB Code of Governance<sup>6</sup>, respondents expressed overall satisfaction with the MB Subgroups' composition and role, with a respondent suggesting reviewing the tasks of the Subgroups after the review of ECHA's Strategy (conducted in 2021).

Finally, it is to be noted that as part of the REACH Refit, the **European Commission** formulated conclusions and recommendations relevant to the functioning of the Management Board and its subgroups in the Staff Working Document accompanying its Communication<sup>7</sup>.

## Next steps

Board members are invited to reflect on the questions presented on the first page of this document, or on any matter they deem relevant with respect to the MB subgroups during the Board meeting. **Written comments are equally welcome before the Board meeting or by 31 October 2022.** On the basis of the feedback received, the MB Chair may bring forward proposals for changes in the subgroups for the December 2022 MB plenary meeting.

It is to be noted that this review, or any resulting change, is without prejudice to the Commission's ongoing work in preparation of ECHA's future basic regulation.

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<sup>4</sup> Tricker, Bob: Corporate Governance, 2019, Oxford University Press.

<sup>5</sup> See MB/46/2021 final.

<sup>6</sup> MB/26/2021.

<sup>7</sup> Commission staff working document Accompanying the Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee: Commission General Report on the operation of REACH and review of certain elements Conclusions and Actions SWD(2018) 58 final, 5 March 2018, as presented in MB/07/2018 final.