

2006 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

2007/2047(DEC) - 15/11/2007

PURPOSE: presentation of the report by the Court of Auditors on the 2006 annual accounts of the Foundation for the Improvement of Living and Working Conditions.

CONTENT: the report indicates that the appropriations entered in the Foundation's Dublin budget for the financial year in question are **EUR 19.76 million**, EUR 19.217 million were committed and EUR 15.248 million paid. Of this overall amount, an amount of EUR 4.312 million was carried over to 2007 and EUR 200 000 was cancelled.

The Court notes that the Foundation's accounts are reliable in all material respects and that the underlying transactions, taken as a whole, are legal and regular.

Analysis of the accounts by the Court: the Court indicates that the implementation rate for 2006 commitment appropriations was more than 97%. However, carryover rates were 43% for administrative expenditure (Title II) and 45% for operating activities (Title III). Thus, the budgetary principle of **annuality** was not strictly observed, according to the Court.

The Court also indicates that the Foundation signed two contracts for services to be rendered in 2007 for a total value of EUR 305 987. These contracts were covered by 2006 commitment appropriations from Title II – Administrative expenditure. Despite the fact that the above contracts related to services to be rendered exclusively in 2007, they were not charged to the budget of the related financial year.

For recruitment procedures the selection criteria were neither decided by selection committees at the outset nor defined in conformance with the vacancy notice. According to the Court, this did not ensure transparent and non-discriminatory procedures.

The Foundation's replies: the Foundation replies to all of the criticisms one by one and indicates that measures will be taken to significantly reduce the carryover rate of appropriations for Title II in 2007. The Foundation also indicates that, taking into account the average duration of study contracts (18 months) and the payments schedule, about 35% of Title III credits unavoidably had to be carried over.

Concerning the contracts committed in 2006 (and paid in 2007), the Foundation indicates that the latter started on 1 January 2007 and that the 2007 budget was not yet established at that time. However, from 2007 onwards, they will be committed against the appropriations of the following year.

Lastly, the Court specifies that from March 2007, all vacancy notices include a clear indication of whether success in tests is a precondition for success in the examination.