

2007 discharge: European Foundation for the Improvement of Living and Working Conditions

EUROFOUND

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Based on the observations contained in the revenue and expenditure account and the balance sheet of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2007, as well as on the Court of Auditor's report and the Foundation's replies to the Court's observations, the Council recommends that the Parliament grant the Director of the Foundation discharge in respect of the implementation of the budget for the financial year 2007.

In doing so, the Council confirms that EUR 4.1 million (94%) of the EUR 4.3 million in appropriations carried forward from the financial year 2006 to the financial year 2007 were used and that EUR 5 million in appropriations were carried forward from the financial year 2007 to the financial year 2008 and EUR 0.5 million were cancelled.

Recalling that the Court of Auditors was able to obtain reasonable assurance that the Foundation's annual accounts were, in all material aspects, reliable, the Council believes that there is a certain number of observations that must be taken into consideration when providing the discharge on the implementation of the 2006 budget, particularly regarding the following points:

- **Carry-overs:** the Council reiterates the call on the Foundation to remedy in the short term the situation of recurrent exceptionally high carry-over rates for administrative expenditure and operating activities. In this context, the Council draws the attention of the Foundation on the crucial importance of a thorough expenditure planning, which should be fully consistent with its operational programming;
- **VAT, recruitment procedure and procurement:** the Council takes note of Court's observation that a considerable amount of recoverable VAT for the 2007 financial year was not claimed by the year end. Therefore, the Council calls on the Foundation to act in full conformity with the provisions of the Financial Regulation. As regards recruitment, the Council notes, once again, the Court's observation on deficiencies regarding the selection criteria which were neither defined at the right time nor in conformity with the vacancy notice. The Council urges the Foundation to act thereupon without further delay in order to ensure transparent and non-discriminatory procedures. Lastly, the Council notes with concern the weaknesses that undermine the quality of the procurement procedures and calls on the Foundation to remedy this situation.