2008 discharge: European Foundation for the Improvement of Living and Working Conditions EUROFOUND

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The Committee on Budgetary Control adopted the report by Véronique MATHIEU (EPP, FR) on discharge to be granted to the European Foundation for the Improvement of Living and Working Conditions, calling on the European Parliament to grant the Director of the Foundation discharge in respect of the implementation of the Foundation's budget for the financial year 2008.

Noting that the Foundation's annual accounts for the financial year 2008 are reliable, and the underlying transactions are legal and regular, MEPs approve the closure of its accounts. However, they make a number of recommendations that need to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on financial management and control of EU agencies (see 2010/2007(INI):

- ***performance***: Members note the positive progress as regards the ex-post assessment of its 2001-2004 work programme in order to determine its impact, added value and effectiveness. They congratulate the Foundation on launching another ex-post assessment exercise, in this case of its 2005-2008 work programme. They call on the Foundation, therefore, to keep it informed of the results of that assessment and to present a comparison of operations carried out during the year for which discharge is to be granted and in the previous financial year so as to enable the discharge authority to assess more effectively its performance from one year to the next;
- ***operating appropriations carried over***: noting thatthe amount carried over represented more than 55% of appropriations (EUR 4.9 million) for the financial year 2008, Members stress that this state of affairs indicates shortcomings in the planning and programming of the Foundation's operational activities and is at odds with the principle of annuality. They call on the Foundation, therefore, to take action to prevent this situation recurring in future and then inform the discharge authority of what it has done;
- ***procurement procedures***: Members call on the Foundation to take steps to improve the monitoring of its contracts and the programming of its procurement procedures, by issuing new invitations to tender well before the corresponding contracts come to an end;
- ***human resources***: they call on theFoundation's management to take steps, as part of its human resources management policy and in keeping with its obligations concerning implementation of the budget, to make better provision in advance for the departure of key staff members. Members congratulate the Foundation for having improved recruitment procedures consistent with the recommendations made by the Court of Auditors in the last two years;
- ***internal audit***: Members expressconcern at the fact that the Foundation's financial statements for 2008 were inadequate and inconsistent with the 2007 accounts and consequently required substantial correction in the course of the audit. They call on the Foundation to take steps to ensure that such a situation does not recur in the future. Lastly, Member call on the Foundation to comply with the recommendations from the Internal Audit Service (IAS) in particular as regards internal control standards (i.e. effective coordination of the internal control system and compliance of procurement procedures with the Financial Regulation and its implementing rules), and to introduce an effective planning and monitoring system.