2013 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

2014/2088(DEC) - 30/03/2015 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Ryszard CZARNECKI (ECR, PL) on discharge in respect of the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2013.

The committee recommended that the European Parliament grant the Director of the Foundation discharge in respect of the implementation of the Foundation's budget for the financial year 2013.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Foundation for the financial year 2013 are reliable, and that the underlying transactions are legal and regular, Members called on the Parliament to approve the closure of the Foundation's accounts. They made, however, a number of recommendations that needed to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on performance, financial management and control of EU agencies.

- **Foundation's financial statements**: Members noted that the final budget of the Foundation for the financial year 2013 was EUR20 624 300, representing an increase of 3.76% compared to 2012.
- **Carryovers**: Members noted that budget monitoring efforts during the financial year 2013 resulted in a budget implementation rate of 99.50 % and that the payment appropriations execution rate was 78.10 %. They remarked with concern that the level of committed appropriations carried over to 2014 was high at 35.60 % for administrative expenditure and 48.60 % for operating expenditure, which was high. They acknowledged that the carry-overs were mainly due to the procurement of equipment and works already contracted and planned for the beginning of 2014.

Members also made a series of observations on the prevention and management of conflicts of interests, recruitment, procurement procedures and internal audits.

Regarding the **reliability of the accounts**, the committee noted that the Foundation carried out a comprehensive physical inventory exercise at the end of 2013 and the beginning of 2014 and that the physical inventory report wasn't finalised by February 2014 when the Court's audit took place. It acknowledged from the Foundation that the physical inventory report was finalised and published after the Court's audit took place and that the errors in relation to registration and barcoding were rectified. It also noted that the Foundation now registered the required documentation to ensure the proper tracing of the correct starting date for the calculation of the assets' depreciation. It acknowledged that the weaknesses in the area of fixed assets registration and accounting were largely due to the transition period towards a new asset accounting system, and that the deficiencies identified were remedied.

Lastly, the committee was concerned that although the Foundation became operational in 1975, a **comprehensive headquarters agreement** with the host Member State had not yet been signed. It noted that negotiations with the host Member State started in February 2014 and a draft agreement in which most of the previous contentious matters were resolved was presented to the Foundation. It called on the Foundation to inform the discharge authority on the outcome of those negotiations.