2014 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

2015/2165(DEC) - 08/09/2015 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Foundation for the Improvement of Living and Working Conditions (EUROFOUND) for the financial year 2014, together with the Foundation's reply.

CONTENT: in accordance with the tasks conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, the Court presents to the European Parliament and to the Council, in the context of the discharge procedure, a Statement of Assurance as to the reliability of the annual accounts of each institution, body or agency of the EU, and the legality and regularity of the transactions underlying them, on the basis of an independent external audit.

This audit concerned, amongst others, the annual accounts of the European Foundation for the Improvement of Living and Working Conditions (EUROFOUND).

Statement of Assurance: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the Foundation, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2014;
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Court's opinion, the Foundation's annual accounts present fairly, in all material respects, its financial position as at 31 December 2014 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer.

Opinion on the legality and regularity of the transactions underlying the accounts: the Court considers that the transactions underlying the annual accounts for the year ended 31 December 2014 are legal and regular in all material respects.

The report also makes a series of observations on the budgetary and financial management of the Foundation, accompanied by the latter's response. The main observations may be summarised as follows:

The Court's observations:

- **budgetary management**: the Court notes that in 2014, the overall level of committed appropriations was high at 99.7 %, indicating that commitments were made in a timely manner. However, the level of committed appropriations carried over to 2015 was high for operational expenditure at 53.7 %. This relates mainly to multiannual projects;
- **remuneration**: the Court specifies that in 2005 new EU Staff Regulations entered into force, including provisions that future remunerations of officials recruited before 5 August 2005 should not be less than under the previous EU Staff Regulations. The Court's audit revealed that this was

not complied with and, in the case of 20 of the 75 officials employed at that time, this led to a total underpayment of EUR 1 28 735 for the period 2005 to 2014. The Foundation's accounts include a provision for this amount.

The Foundation's replies:

- **budgetary management**: the Foundation appreciates the thorough analysis of the budget implementation and for mentioning the reasons for the carry-overs;
- **remunerations**: the Foundation indicates that the problem raised by the Court has now been resolved.

Lastly, the Court of Auditors' report contains a summary of the Agency's activities in 2014. This is focused on the following:

Budget: EUR 20.9 million.

Activities:

- increasing labour market participation and combating unemployment by creating jobs, improving labour market functioning and promoting integration, including activities relating to the European Restructuring Monitor (ERM);
- improving working conditions and making work sustainable throughout the life course, including the establishment of the European Observatory of Working Life as an integrated observatory on industrial relations and working conditions in the EU and publication of reports on this topic;
- developing industrial relations to ensure equitable and productive solutions in a changing policy context, and publishing a report on industrial relations and working conditions developments in Europe 2013;
- improving standards of living and promoting social cohesion in the face of economic disparities and social inequalities with the publication of the third European Quality of Life Survey;
- communication and sharing ideas including 1 01 760 downloads of reports from Eurofound website, 125 publications in PDF, 328 EU policy documents quoting references to Eurofound findings and expertise, and 94 on-request contributions to events.