2016 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

2017/2148(DEC) - 12/09/2017 - 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 2016, 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**). In brief, the Foundation's task is to contribute to the planning and establishment of better living and working conditions in the Union by increasing and disseminating knowledge which is relevant to this subject.

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 2016;
- 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 2016 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 2016 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 noted that the level of committed appropriations increased for operational expenditure at EUR 2.8 million, i.e. 43 % (2015: EUR 2.1 million, i.e. 31 %), mainly in relation to projects (studies and pilot schemes) going beyond the year end. The high level of carry-overs is in contradiction with the budgetary principle of annuality. The Foundation may consider introducing differentiated budget appropriations to better reflect the multi annual nature of operations and unavoidable delays between the signature of contracts, deliveries and payments.

The Foundation's reply:

- **budgetary management**: Eurofound acknowledged the observation of the Court as regards the high level of carry-overs. It stressed that it distinguishes between planned and unplanned carry-overs. It considers this distinction useful to better reflect the multi-annual nature of operations. However, it is carefully considering introducing **differentiated** budget appropriations.

Lastly, the Court of Auditors' report contains a summary of the **Foundation's key figures in 2016**:

- **Budget**: EUR 20.8 million (in payment appropriations).
- **Staff**: 104 including officials, temporary and contract staff and seconded national experts.