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

2017/2148(DEC) - 18/04/2018 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Director of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) in regard to the implementation of the Foundation's budget for the 2016 financial year and to approve the closure of the accounts for the financial year in question.

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the Foundation' s annual accounts for the financial year 2016 are reliable and that the underlying transactions are **legal and regular**, Parliament adopted by 559 votes to 130 with 5 abstentions, a resolution containing a series of recommendations, which form an integral part of the decision on discharge and which add to the general recommendations set out in the resolution on performance, financial management and control of EU agencies.

- **Foundation's financial statements:** the final budget of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2016 was EUR 20 789 500, representing a decrease of 1.72 % compared to 2015.
- **Budget and financial management:** budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 99.99 % and that the payment appropriations execution rate was 84.80 %, representing a decrease of 2.55 % compared to 2015.
- Members expressed concern about the negative budgetary impact of the growing Irish country coefficient which increasingly risks undermining the financial capability of the Foundation to deliver on its mandate. They expect action to be taken by the Institutions of the Union to offset the effects.
- **Commitments and carry-overs:** the level of committed appropriations carried forward to 2017 was high at EUR 2.8 million (43 %) for operational expenditure, compared to EUR 2.1 million (31 %) in 2015, mainly in relation to projects (studies and pilot schemes) going beyond the year end. The report recommended to the Foundation that it may consider introducing **differentiated budget appropriations** in order to better reflect the multiannual nature of operations and unavoidable delays between the signature of contracts, deliveries and payments. Carry-overs may often be justified and do not necessarily indicate weaknesses in budget planning and implementation.

Members also made a series of observations regarding the prevention and management of conflicts of interests, procurement and staff policy and internal controls and audits.

They recalled that **staffing cuts** have been implemented with great difficulty and reiterated their concern towards any further cuts which would limit the agencies' ability to carry out their mandate. They also emphasised the need to establish an independent body with sufficient budgetary resources to support **whistleblowers** wishing to disclose information on possible irregularities negatively impacting on the Union's financial interests, while ensuring their confidentiality is protected.

With regard to **internal audits**, Members noted with satisfaction that the Foundation and the internal audit service (IAS) agreed on a plan to take corrective action against the weaknesses found in the Foundation's management of projects, mainly in relation to governance arrangements, monitoring and reporting.

Lastly, Parliament welcomed the Foundation's high-quality analysis and policy input as regards living and working conditions, industrial relations and employment and labour market developments. It noted how strongly **the Foundation has contributed to combating poverty** and fraudulent contracting of work in several actions across the Union.