1999 discharge: European Foundation for the Improvement of Living and Working Conditions EFILWC budget (Dublin)

2000/2166(DEC) - 22/11/2000 - Non-legislative basic document

PURPOSE: presentation of the Court of Auditors' report on the financial situation and management of the Dublin Foundation for the 1999 financial year. CONTENT: The Court considers that, for the most part, the budget of the European Foundation for the Improvement of Living and Working Conditions or Dublin Foundation was correctly implemented. The budget for 1999 amounted to EUR 14.8 million as opposed to EUR 14 in 1998, an increase of 6%. Of this total amount, EUR 14.6 million were committed of which EUR 3.6 million were carried over into the year 2000 and EUR 0.3 million were cancelled. Almost all the commitments carried over into the 2000 year related to operational activities of the Foundation. The Court points to the late implementation, on the part of the Foundation, of contracts and difficulties in realizing corresponding activities. This meant that the Foundation was unable to manage appropriations with the desired rigour, which led to an increase of 12% in the amounts carried forward in comparison with 1998. For the Court, the volume and the persistence of the under-utilisation of the appropriations for the financial year show weaknesses in the Foundation's follow up of its annual programme. The Foundation is therefore called upon to better respect the principle of the annuality of appropriations. The Court points to some irregularities in the Foundation's accounting systems and in the system of advances (the amounts paid via the system of advances represented 20% of amounts paid in 1999, EUR 1.2 million of which fell under the heading of staff expenses). It should be recalled that the system of advances should be limited and exceptional. Bearing in mind these observations, the Court considers that the Foundation can obtain the reasonable assurance that the 1999 accounts are reliable and that the underlying operations are legal and regular. In response to these various criticisms, the Foundation recognises the carrying over of appropriations was greater than expected and it undertakes not to repeat this. It indicates that it is about to change its accounting system. Lastly, it notes that the system of advances has diminished over recent years and it undertakes to reduce its use still further in the 2000 financial year.