

# 2005 discharge: European Foundation for the Improvement of Living and Working Conditions

2006/2154(DEC) - 24/04/2007 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution drafted by Edit **HERCZOG** (PSE, HU), and granted the executive director of the European Foundation for the Improvement of Living and Working Conditions discharge for the implementation of the Foundation's budget for the financial year 2005. Parliament then approved closing the accounts of the Foundation for the financial year 2005.

The Parliamentary resolution is divided into two parts. The first contained general points, and concerned the majority of EU Agencies requiring individual discharge. The second part contained specific points relating to the Foundation.

**General points:** Parliament considers that the ever-growing number of Community Agencies and the activities of certain of them do not seem to form part of an overall policy framework, and that the remits of some Agencies do not always reflect the real needs of the Union. Accordingly, it invites the Commission to define an overall policy framework for the setting up of new Community Agencies and to present a cost-benefit study before the setting up of any new agency, while being careful to avoid any overlap of activities between Agencies or with the remits of other European organisations. Parliament calls on the Court of Auditors to give its opinion on this cost-benefit study before Parliament takes its decision, and it asks the Commission to present every five years a study on the added value of every existing Agency. ; invites all relevant institutions In the case of a negative evaluation of the added value of an Agency, all relevant institutions are asked to take the necessary steps by reformulating the mandate of that Agency or by closing it.

In view of the constantly increasing number of Agencies, Parliament feels that the Directorates-General of the Commission charged with the setting up and monitoring of Agencies must develop a common approach to the Agencies. It also asks the Commission to improve administrative and technical support to the Agencies. Parliament regretted that the negotiations on the draft interinstitutional agreement on the operating framework for the European regulatory agencies have not yet been concluded, and calls on the Commission, in consultation with the Court of Auditors, to do their utmost to ensure that the agreement is brought to a rapid conclusion. Noting that the Commission's budgetary responsibility calls for closer linking of the Agencies to the Commission, Parliament calls on the Commission and the Council to take all necessary steps to give the Commission a blocking minority in the supervisory bodies of the regulatory Agencies by 31 December 2007 and to provide for such a minority from the outset when new Agencies are set up. It invites the Court of Auditors to create an additional chapter in its Annual Report, devoted to all Agencies to be discharged under the Commission's accounts in order to have a much clearer picture of the use of EU funds by Agencies.

Parliament goes on to ask the Commission to come up with a proposal to harmonise the format of the annual reporting by the Agencies and to develop performance indicators which would allow a comparison of their efficiency. The Commission is urged to monitor and direct the management of the Agencies, especially in relation to the proper application of tender procedures, transparency of recruitment procedures, sound financial management and, most importantly, the proper application of the rules concerning the internal control framework.

**Specific points concerning the EFILWC:** Parliament invites the Foundation to pay better attention to carry-over rates in 2005 in respect to commitments for administrative expenditure (Title II) and operating activities (Title III), which remained high at 37 % and 44 % respectively. It also invites the Commission

and the Foundation to continue to clarify the situation of non-cancelled appropriations. At the same time, Parliament asks the Foundation to present a work programme which expresses its contribution in operational and measurable terms, and recalls that the Foundation to be a source of important information for all EU institutions, for political decision-making and for the general public. Parliament states that it is worried that there was in 2005 no comprehensive document analysing the risks arising from the financial and operational aspects of the Foundation's activities, nor a validation of the procedures introduced by the Authorising Officers in order to ensure the accuracy and completeness of the financial information it sent to the Accounting Officer. Lastly, it encourages the Foundation to continue its efforts to improve its methods of communication in order to ensure that the public can be better informed about the findings of its studies and that the public debate on important issues, such as the effects and causes of restructuring measures by companies, is thereby enhanced.