Basic information

2002/2187(DEC) DEC - Discharge procedure	Procedure completed
2001 discharge: European Foundation for the Improvement of Living and Working Conditions EFILWC, Dublin **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	BLAK Freddy (GUE/NGL)	10/09/2002

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	JÖNS Karin (PSE)	12/11/2002

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2493	2003-03-07

European Commission

Commission DG	Commissioner
Budget	

Key events

Date	Event	Reference	Summary
27/08/2002	Committee referral announced in Parliament		
25/09/2002	Non-legislative basic document published	N5-597/2002	Summary
19/03/2003	Vote in committee		
19/03/2003	Committee report tabled for plenary	A5-0079/2003	
08/04/2003	Decision by Parliament	T5-0159/2003	Summary
08/04/2003	Debate in Parliament		
08/04/2003	End of procedure in Parliament		
12/03/2004	Final act published in Official Journal		

Technical information	
Procedure reference	2002/2187(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A5-0079/2003	19/03/2003	
Text adopted by Parliament, single reading		T5-0159/2003 OJ C 064 12.03.2004, p. 0028-0256 E	08/04/2003	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05999/2003	07/03/2003	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Non-legislative basic document	N5-597/2002 OJ C 326 27.12.2002, p. 0057-0063	25/09/2002	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2003/0418
OJ L 148 16.06.2003, p. 0089-0089 Summary

2001 discharge: European Foundation for the Improvement of Living and Working Conditions EFILWC, Dublin

2002/2187(DEC) - 25/09/2002 - Non-legislative basic document

PURPOSE : to present the report from the Court of Auditors on the financial statements on the European Foundation for the Improvement of living and Working Conditions for the financial year 2001. CONTENT : in general, the Court states that this examination has allowed it to obtain reasonable assurance that the accounts for the financial year ended 31 December 2001 are reliable and that the underlying operations are, taken as a whole, legal and regular. The report shows that the appropriations available for the financial year amounted to EUR 18,9 million, of which EUR 15,3 million had been granted for the financial year 2001 and EUR 3,5 million had been carried over from the previous financial year. The appropriations for the financial year 2001, EUR 15,2 million were committed and disbursed in payments amounting to EUR 11,6 million. The balance of the appropriations was either carried over (3,5 million) or cancelled (0,2 million). According to the Court, the carry-over rate for operating appropriations remains very high and demonstrates the need for the Foundation to improve the quality and monitoring of its programming of activities. The Foundation should do everything possible to reduce the carry-over rate in respect of its appropriations in order to improve its compliance with the budgetary principle of annuality. As regards the presentation of these financial statements in the Foundation's activity report for 2001 deviates from the norms set out in the regulations. Although these problems have no impact on the reliability of the financial statements, the Foundation should make sure it returns to the usual practices. The Court founds that the Foundation makes no attempt to depreciate its fixed assets. It ought to take depreciation into account when evaluating the fixed assets entered in its balance sheet and follow the instructions concerning inventories in the Commission Regulation. It should improve its inventory system by developing a system of identification for its assets and defining the particular responsibilities of the departments involved. A sample of 34 payments which were received or were to be received by the Foundation during the financial year 2001 was examined. In several instances, most notably one concerning the purchase of a vehicle, one and the same person was able to approve the commitments and payments, using the electronic approval system, thus discharging the duties of the manager, the authorising officer, the financial controller and the accounting officer. This practice should be strictly prohibited as it is incompatible with the principle of the separation of duties. Lastly, the Court states that the Foundation concluded a contract with a travel agency in 1997 for a trial period of one year. This contract has been renewed by tacit agreement until now. It would be preferable if market-testing were carried out to see if more favourable conditions could be obtained. The Foundation has responded point by point on the criticisms made by the Court. It states in particular that : - with regard to the level of carryovers : this is affected by the relation of the Foundation's annual budgeting cycle to its operational cycle (which involves programme design, programme initiation, outline project design, tendering, detailed projectdesign and implementation). However, particularly in those cases where contracts are repetitive in nature, the timing of contracting procedures has, where possible, been brought forward. This measure will facilitate a reduction in carryovers; - concerning its inventory procedures : the Foundation has now made arrangements to adapt its inventory procedures to bring them into line with the revised procedures of the Commission as set out in Regulation 2909/2000 of 29.12.2000, which provides for depreciation of inventory items. Responsibility will be allocated as appropriate for all inventory items. The Foundation accepts the criticisms made concerning the remaining issues and states that steps have already been taken in relation to a tender procedure and introduction of a new contract as regards the travel agency services.

2001 discharge: European Foundation for the Improvement of Living and Working Conditions EFILWC, Dublin

2002/2187(DEC) - 08/04/2003 - Final act

PURPOSE : to grant discharge on the implementation of the Dublin Foundation's budget for the financial year 2001. COMMUNITY MEASURE : European Parliament Decision 2003/418/EC concerning discharge to the Administrative Board of the European Foundation for the Improvement of Living and Working Conditions in respect of the implementation of its budget for the financial year 2001. CONTENT : with the present decision, the European Parliament grants discharge to the Administrative Board of the European Foundation for the Improvement of Living and Working Conditions in respect of the implementation of its budget for the financial year 2001. This decision is accompanied by a series of comments which complete the discharge decision. These comments are included in the Parliament's opinion (please refer to the summary of the European Parliament's resolution dated 8 April 2003).

2001 discharge: European Foundation for the Improvement of Living and Working Conditions EFILWC, Dublin

2002/2187(DEC) - 08/04/2003 - Text adopted by Parliament, single reading

The European Parliament adopted the report by Freddy BLAK (EUL/NGL, DK) granting discharge to the European Foundation for the Improvement of Living and Working Conditions for the financial year 2001. (Please refer to the previous text). In the accompanying resolution, the report urged the Foundation to make further efforts to reduce the carry-over rate for operating appropriations, which remained too high. It also criticised the Foundation's failure to follow proper tendering procedures for service contracts. As regards the issue of financial control, Parliament notes that the Court of Auditors takes the view that the carry-over rate for operating appropriations remains too high (EUR 3,5 million) and that the Foundation should do everything possible to reduce the carry-over rate. It notes that the new Financial Regulation will provide an improved legal basis for carry-overs; welcomes however the initiatives that the Foundation has taken in order to reduce the level of carry-overs. Parliament notes that the Court of Auditors deplores the practice of "super-user" rights in computerised systems (where one and the same person is able to discharge the duties of the manager, the authorising officer, the financial controller and the accounting officer) as incompatible with the principle of the separation of duties. It asks all the Agencies to ensure that such "super-user" rights are no longer attributed. Parliament regrets that the Foundation has not fully respected the tendering procedures in all its service contracts; recalls that this is not only a violation of the principle of equal treatment but could also result in legal action against the Foundation by disadvantaged tenderers. It urges the Foundation to ensure that proper tendering procedures are followed for all contracts. It acknowledges that the Foundation needs more flexible financial procedures and therefore calls on the it to implement the new Financial Regulation as soon as possible and to find an appropriate balance between flexibility and accountability. Concerning external assessment, the Parliament welcomes the external evaluation and the Draft Action Plan responding to the recommendations made in the evaluation. It congratulates the Foundation on the overall very positive appraisal and calls on the Foundation to carry out in the coming years an analysis of the impact of the measures adopted. It notes

that the Foundation is meeting most of its deadlines set out in the Action Plan. Attention is drawn to the following points made in the evaluation: - the need to review and improve cooperation between the Foundation and the Commission as well as the Parliament, - the need to establish a system to track the use of the Foundation's outputs, and - the need to introduce more internal quality control processes. Overall, the parliament congratulates the Foundation on the good work carried out by highly qualified staff. It would however wish that its good work were known to a wider audience, welcomes the enhanced information efforts. It acknowledges that the main role of the organisation is to contribute to the debate at European level and welcomes the steps the Brussels Liaison Office has taken in order to improve contact with the European institutions. It states that the Foundation has a high share of administrativeexpenditure (Title 1 and 2 of the budget) and that in the 2003 budget, it makes up about EUR 10 million; whilst operational expenditure (Title 3) is about EUR 7 million. It notes that many of the operating systems in practice at the Commission are imposed on the Foundation even though they are more adapted to the needs of a very large administration rather than a smaller organisation like the Foundation. The Commission is asked to take advantage of the expertise in the Foundation and to consider the cost benefit of outsourcing more of its tasks to the Foundation. It also calls on the Commission to reconsider creating more executive agencies when the tasks could be given to the existing agencies.