Basic information

2004/2060(DEC) DEC - Discharge procedure	Procedure completed
2003 discharge: European Foundation for the Improvement of Living and Working Conditions **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	AYALA SENDER Inés (PSE)	22/09/2004
	AYALA SENDER Inés (PSE)	26/07/2004
	SCHLYTER Carl (Verts/ALE)	22/09/2004

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2646	2005-03-08

Key events

Date	Event	Reference	Summary
13/09/2004	Non-legislative basic document published	N6-0208/2004	Summary
10/01/2005	Committee referral announced in Parliament		
16/03/2005	Vote in committee		
16/03/2005	Additional information		Summary
23/03/2005	Committee report tabled for plenary	A6-0074/2005	
12/04/2005	Decision by Parliament	T6-0102/2005	Summary
12/04/2005	Debate in Parliament		
12/04/2005	End of procedure in Parliament		
27/07/2005	Final act published in Official Journal		

Technical information	
Procedure reference	2004/2060(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		A6-0074/2005	23/03/2005	
Text adopted by Parliament, single reading		T6-0102/2005 OJ C 033 09.02.2006, p. 0029-0233 E	12/04/2005	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	06854/2005	08/03/2005	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
OS	Non-legislative basic document	N6-0208/2004	13/09/2004	Summary
CofA	Court of Auditors: opinion, report	C324/2004 OJ C 324 30.12.2004, p. 0001	30/12/2004	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2005/0540
OJ L 196 27.07.2005, p. 0074-0074 Summary

2003 discharge: European Foundation for the Improvement of Living and Working Conditions

2004/2060(DEC) - 13/09/2004 - Non-legislative basic document

PURPOSE : to present the financial statements of the European Foundation or the Improvement of Living and Working Conditions for the 2003 financial year.

CONTENT : the appropriations entered in the final budget amount to EUR 16.8 million of which 98.2% was contributed by the Community.

As regards the staffing policy, 88 posts were allocated in the establishment plan with only 76 occupied.

+ 16 other posts (auxiliary contracts, national experts on secondment, local staff, employment agency staff) making a total of 92 assigned to operational, administrative and mixed duties.

The European Foundation for the Improvement of Living and Working Conditions, whose headquarters are based in Dublin, aims to contribute to the establishment of better living and working conditions by increasing and disseminating knowledge which is relevant to this subject.

In 2003, the activities of the Foundation can be summarized as follows.

As regards living conditions : Survey of the quality of life in Europe (28 countries covered, 26 000 interviews); Maintenance and extension of a base of comparable data (Member States and candidate countries); Study of employment in health care services; Study relating to a new organisation of time over working life.

On working conditions : Report on working conditions in the acceding and candidate countries; Creation of a network of experts for the new European Working Conditions Observatory (EWCO); Studies relating to the hotel and catering and road transport sectors; Inventory of existing surveys of living and working conditions.

As regards industrial relations: Development of indicators in the field of financial participation; Study relating to migration and employment; Expansion of the ‘European Industrial Relations Observatory’ network (EIRO); Joint report with the Commission: ‘Development of industrial relations in 2002’; Case studies of European Company Committees in 37 multinational companies.

Concerning the European Monitoring Centre on Change (EMCC) : Development of electronic publications; Organisation of four seminars and two workshops.

On transversal projects : a Report on corporate social responsibility (CSR).

Lastly, as regards information and communication : Communication activities in the Member States and candidate countries; Establishment of seven national liaison centers and 91 publications (this figure does not include translations).

2003 discharge: European Foundation for the Improvement of Living and Working Conditions

2004/2060(DEC) - 12/04/2005 - Final act

OBJECTIVE: granting of discharge for implementing the EU’s general budget for 2003 – European Foundation for Living and Working Conditions.

LEGISLATIVE ACT: Decision 2005/540/EC of the European Parliament concerning the discharge for implementing the general budget of the EU for the 2003 financial year (European Foundation for Living and Working Conditions).

CONTENT: With this Decision, the European Parliament grants discharge to the Director of the European Foundation for Living and Working Conditions for the implementation of the budget for the 2003 financial year.

This decision is in line with the European Parliament’s resolution adopted on 12 April 2005 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 12/04/2005).

2003 discharge: European Foundation for the Improvement of Living and Working Conditions

2004/2060(DEC) - 08/03/2005 - Supplementary non-legislative basic document

Having examined the revenue and expenditure account for the financial year 2003, the balance sheet of revenue and expenditure at 31 December 2003 of the European Foundation for the Improvement of Living and Working Conditions and the Court of Auditors' report on the financial statements of the Foundation for the financial year 2003, the Council recommends that the European Parliament gives a discharge to the Director of the Foundation in respect of the implementation of the budget for the financial year 2003.

To recall, EUR 3.9 million (98%) of the EUR 4.0 million in appropriations carried forward from the financial year 2002 to the financial year 2003 have been used. EUR 3.1 million in appropriations have been carried forward from the financial year 2003 to the financial year 2004 and EUR 0.1 million have been cancelled.

Observations in the Court of Auditors' report in relation to the financial year 2003 call for comments by the Council, which are annexed to this Recommendation.

The Council welcomes the fact that the Court of Auditors has been able to obtain reasonable assurance that the Foundation's annual accounts for the financial year ended 31 December 2003 are reliable and that the underlying transactions, taken as a whole, are legal and regular. However, some observations need to be made.

In order to avoid any management of funds outside the budget and to respect the principles of budgetary unity and accuracy, the Council urges the Foundation to use an amending budget to include subsidies received in the context of the PHARE programme, as well as in the case of a deficit in the outturn account. In 2003, the Foundation did not respect such a procedure for both events.

The Council intends in its ongoing review of the Foundation's basic regulation to duly take into account the Court's remarks on developing possible synergies and avoiding any overlapping of tasks with other Agencies that deal with subjects related to the same area of activities.

2003 discharge: European Foundation for the Improvement of Living and Working Conditions

2004/2060(DEC) - 30/12/2004

This report from the Court of Auditors presents the financial statements of the European Foundation for the Improvement of Living and Working Conditions for the 2003 financial year.

The Court has obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2003 were reliable and that underlying transactions were, taken as a whole, legal and regular.

The report states that the appropriations entered in the final budget amount to EUR 16.8 million with EUR 16.8 million committed and EUR 13.7 million paid. EUR 3.1 was carried over to 2004. No appropriations were cancelled.

The Court highlights the fact that the Foundation signed an agreement with the Commission in the context of the Phare programme. Under this agreement, the Foundation received an allocation of one EUR 1 million, of which EUR 639 000 were received in 2003. These funds were managed outside the budget. An amending budget should have been drawn up.

The revenue and expenditure account shows a loss which has accumulated over several financial years and which the Foundation has asked the Commission to reimburse. The Commission has regarded the corresponding payment as part of the subsidy for the financial year 2003, which means that the loss has not been discharged. Under the new provisions of the Foundation’s financial regulation, if the balance of the outturn account for a particular year is negative, an amending budget must be drawn up for the following year.

The Foundation’s financial regulation provides that the accounting officer is to validate the systems laid

down by the authorising officer to supply or justify accounting information. This validation did not take place during the financial year.

The Court notes a problem with the division of tasks between the Foundation and other Agencies. Certain aspects have in practice been dealt with by other Agencies which have been set up since then (European Environment Agency, European Agency for Safety and Health at Work). The Foundation on the other hand has developed the analysis of other, more specific, aspects such as industrial relations.

The planning of the Foundation’s work programme ought to be reviewed in consultation with the other Agencies that deal with subjects related to its area of activity so as to ensure that the basic priorities are well covered, to develop possible synergies and to avoid repeating work already carried out. The review of the Foundation’s basic regulation which has been proposed by the Commission ought to be the occasion to do it.

The Foundation has replied to the comments made by the Court. It notes that the Phare activity, not being explicitly covered by the Foundations establishing regulation, was not judged appropriate

for integration it in its budget. The Foundation takes note of the observation of the Court and will include Phare financing in his future budgets.

The Foundation is in contact with the Commission’s services to clarify the issue of the accumulated deficit and the treatment of future deficits or surpluses. Provision for the internal control function was finalized with the introduction of a financial and operational verification function in November 2003. This function and other control work is carried out by a specialised unit. The function of internal

audit is provided by the Commission’s Internal Audit Service. The Accounting Officer relies on the validations performed by the Commission’s services, which have provided the accounting systems in use by the Foundation.

Lastly, as regards the development of its programmes, the Foundation has achieved synergies with other agencies to the effect that each deals with complementary aspects within common thematic competences in order to avoid duplication of work. This has been formalised in joint declarations e.g. with the European Agency for Safety and Health at Work in Bilbao.

2003 discharge: European Foundation for the Improvement of Living and Working Conditions

2004/2060(DEC) - 12/04/2005 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution drafted by co-rapporteurs Inés AYALA SENDER (PES, ES) and Carl SCHLYTER (Greens/EFA, SE) giving discharge to the Director of the European Foundation for the Improvement of Living and Working Conditions in respect of the implementation of its budget for the financial year 2003. (Please see the summary of 16/03/05.)

Parliament's resolution is in two parts: the first concerns the discharge itself and the second part deals with an accompanying resolution on the management and implementation of the budget. The accompanying resolution also carries general points addressed to the Commission and the Agencies.

In response to the Court of Auditors observations, Parliament stated that it expected the Foundation from now on to record correctly in its budget extra-budgetary subsidies or allocations it receives. It also invited the Foundation to continue developing synergies with other Agencies and in particular with the European Agency for Safety and Health at Work as well as with Eurostat so as to avoid overlaps and to build on complementary aspects within common thematic responsibilities.

Parliament welcomed the Foundation's equality policy and mainstreaming of activities and also welcomed the Foundation's commitment to disseminating its findings to citizens and the measures it has taken to strengthen the Agency's strategy for information and communication.

Parliament went on to make some general observations common to all the agencies. The principal points may be summarized as follows:

General points addressed to the Commission and the Agencies: Parliament supported the Commission's efforts to establish a limited number of models, at least for future 'regulatory' agencies. It took the view that the structure of current and future agencies merited in-depth consideration at inter-institutional level. Before the Commission defines the framework conditions for the use of regulatory agencies, an inter-institutional agreement should spell out common guidelines. Parliament invited the Commission to perform by the end of 2005 a cross-cutting analysis of the evaluations carried out on individual Agencies in order to:

- reach conclusions with regard to the coherence of Agency activity with EU policies in general and as regards the synergies existing or to be developed between the agencies and Commission departments and the avoidance of overlapping between them;

- make an assessment of the broader European added value of the Agencies' outputs in their respective area of activity and of the relevance and effectiveness of the Agency model in implementing or contributing to EU policies;

- determine the impact of the Agencies' actions in terms of the proximity and visibility of the EU to its citizens.

In parallel with this exercise, the Commission should present proposals for changes to be made in the existing Agencies' Constituent Acts with a view to optimising its relationship with the Agencies. Before any decision is taken to propose the creation of a new agency, the Commission must undertake a strict evaluation of the added value of the function of this agency, bearing in mind existing structures, the principles of subsidiarity, budgetary austerity and the simplification of procedures.

General points addressed to the Agencies:

Parliament wanted to receive from each of the Agencies, the report summarizing information on the audits carried out by the Internal Auditor, the recommendations made and the action taken on these recommendations in accordance with Regulation 2343/2002/EC. Agencies should also make further efforts to apply correctly the staff regulations and rules applicable to other civil servants with regard to their staff. Parliament made some remarks on the imbalance between men and women in high-grade positions in the agencies, and stated that relevant provisions on equal opportunities must be observed.

In response to the relevant observations of the Court of Auditors, the Agencies must comply fully with the budgetary principles as set out in the Financial Regulation, in particular those of unity and budgetary accuracy.

Parliament went on to encourage the Agencies to strengthen their co-operation, thus opening up opportunities for developing synergies, and avoiding duplication of work. Parliament expected to be informed regularly on this issue.

It called on the Agencies to pay special attention to procedures for the award and management of contracts, and to strengthen their internal control procedures. Parliament suggested the setting-up of specialised units entrusted with the task of advising, on the basis of risk analysis, on how best to prepare contract award procedures.

General points addressed to the European Court of Auditors and the Agencies:

Parliament asked Court of Auditors and the Agencies to strengthen their co-operation in order to enhance the procedures and technical tools to improve the sound management of all the budgetary and finance issues. They should do this in order to establish a methodology that prepares the ground for a positive budget discharge from the start of the process.