Basic information

2006/2154(DEC) DEC - Discharge procedure	Procedure completed
2005 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	HERCZOG Edit (PSE)	20/04/2006

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	OOMEN-RUIJTEN Ria (PPE-DE)	22/11/2006

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2787	2007-02-27

European Commission

Commission DG	Commissioner
Budget	KALLAS Siim

Key events

Date	Event	Reference	Summary
31/10/2006	Non-legislative basic document published	N6-0022/2006	Summary
29/11/2006	Committee referral announced in Parliament		
26/03/2007	Vote in committee		Summary
30/03/2007	Committee report tabled for plenary	A6-0098/2007	
24/04/2007	Decision by Parliament	T6-0114/2007	Summary
24/04/2007	Results of vote in Parliament		
24/04/2007	Debate in Parliament		

24/04/2007	End of procedure in Parliament		
15/07/2008	Final act published in Official Journal		

Technical information

Procedure reference	2006/2154(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/42397

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE384.433	09/02/2007	
Committee opinion	EMPL	PE382.558	21/02/2007	
Amendments tabled in committee		PE386.408	08/03/2007	
Committee report tabled for plenary, single reading		A6-0098/2007	30/03/2007	
Text adopted by Parliament, single reading		T6-0114/2007	24/04/2007	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05711/2007	07/02/2007	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
OS	Non-legislative basic document	N6-0022/2006 OJ C 266 31.10.2006, p. 0037-0039	31/10/2006	Summary
CofA	Court of Auditors: opinion, report	N6-0001/2007 OJ C 312 19.12.2006, p. 0001	19/12/2006	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2008/0509
OJ L 187 15.07.2008, p. 0085 Summary

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

2006/2154(DEC) - 19/12/2006

This report from the Court of Auditors concerns the results of the audit carried out by the Court on the annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year ended 31 December 2005.

The Foundation's accounts for the financial year ended 31 December 2005 are, in all material respects, reliable. The transactions underlying the Foundation's annual accounts, taken as a whole, are legal and regular.

The report shows that the appropriations entered in the final budget amount to **EUR 19 280 000** with EUR 19 275 000 committed and EUR 14 657 000 paid. EUR 4 618 000 was carried over to 2006 and EUR 5 000 cancelled.

The Court states that the utilisation rates for the commitment appropriations entered in the budget for the financial year are very high; in addition, the cancellation rate for appropriations carried over is very low. Nevertheless, carry-over rates in respect of commitments for administrative expenditure (Title II) and operating activities (Title III) remain high at 37 % and 44 % respectively.

The Court highlights that in 1998, the Foundation recorded a budgetary loss of EUR 2.4 million. Inasmuch as the Foundation did not need the appropriations carried over at that time, the Commission did not take these carry-overs into consideration when it paid over the grants. Over time, this loss has been partially offset by the Foundation's various revenues and came to EUR 1 million at the end of 2005. In the meantime, the Commission has challenged the necessity of covering a loss due to the non-cancellation of appropriations which, in the end, were not used. The Foundation and the Commission should continue their efforts to clarify this situation.

Achieving the Foundation's objectives should be seen as contributing to the goals laid down in the Foundation's basic regulation. The Foundation's work programme should express this contribution in operational and measurable terms. There is no comprehensive document analysing the risks arising from the financial and operational aspects of the Foundation's activities. Moreover, there was no validation of the procedures introduced by the Authorising Officers in order to ensure the accuracy and the exhaustivity of the financial information they send to the Accounting Officer, except as regards the data processing aspects.

The Foundation responds point by point to the Court's observations and states that it has undertaken considerable efforts in the past to reduce the number of carry-overs. Given the very nature of the Foundation's work, it is, however, a challenge to keep it in balance with the principle of sound financial management, which requires that suppliers not be paid before agreed milestones of the work have been reached.

In 2006, the Foundation and the Commission came to an agreement on the nature and solution of the problem. It is acknowledged by all parties that the Foundation did not at any time spend more money than the amount approved by the Budgetary Authority. The Foundation will gradually reduce the accumulated imbalance to zero within four years.

The Foundation states that it is currently developing two tools in order to set goals that are measurable and to subsequently monitor its performance: a project-management system linked to a financial forecasting software system and a performance-monitoring system, using a balanced scorecard, both to be introduced in 2007.

The Foundation does carry out a risk analysis at both project and unit level, documented in the project plans and annual management plans. It is currently developing a comprehensive risk-management approach at Foundation level.

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.

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

2006/2154(DEC) - 31/10/2006 - Non-legislative basic document

PURPOSE: presentation of the final accounts of the European Foundation for the Improvement of Living and Working Conditions for the year 2005.

CONTENT: this document published in the Official Journal of the EU sets out a detailed account of the implementation of the 2005 budget, including the revenue and expenditure and the balance sheet for the year concerned.

According to this document, the final budget amounted to **EUR 19.3 million** (against EUR 18.1 million in 2004) including a 98.8% Community subsidy.

As regards the staffing policy, the Foundation, whose headquarters are based in Dublin (Ireland), officially set out 94 posts in its establishment plan. 82 are currently occupied with 12 other staff (Seconded National Experts and employment agency staff) totalling 94 posts assigned to operational, administrative and mixed duties.

Staff expenditure amounted to EUR 8.9 million in 2005.

The Foundation’s main aim is to contribute to the planning and establishment of better living and working conditions in the European Union by increasing and disseminating knowledge which is relevant to this subject. During 2005, the Foundation published the following :

1. **Living Conditions**: analytical reports on quality of life in Europe; database on age management in companies; reports on labour supply in care services for children and older people; studies on organisation of time over working life.
2. **Working Conditions**: European Working Conditions Observatory (EWCO: news articles, survey reports and comparative topic reports); EWCO co-hosted EU presidency conference with Luxembourg government, June 2005; annual review of working conditions in the EU, 2004-2005; fieldwork for 4th European Working Conditions Survey (sample of 30 000 workers in 31 countries).
3. **Industrial Relations**: European Industrial Relations Observatory (EIRO); circulation of reports and articles on EIRonline; — various reports.
4. **European Monitoring Centre on Change (EMCC)**: two in-depth sector studies; Various case files; sector future series: seven industry sectors have been covered; organisation of and participation in various seminars.
5. **Transversal Themes**: various general and country reports.
6. **Information and communication**: the Foundation has organised 71 conferences and taken part in 95 conferences and seminars. Excluding translations, the Foundation has produced 178 publications and circulated 10 newsletters.

The complete version of the final accounts may be found at the following address:

http://www.eurofound.europa.eu/about/publicaccess/categories/finance/2006.htm

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

2006/2154(DEC) - 07/02/2007

Having examined the revenue and expenditure account for the financial year 2005, the balance sheet of revenue and expenditure at 31 December 2005 of the European Foundation for the Improvement of Living and Working Conditions, the Council recommends the European Parliament to give a discharge to the Director of the Foundation in respect of the implementation of the budget for the financial year 2005.

In doing so, the Council confirms that EUR 3.1 million (97.8%) of the EUR 3.2 million in appropriations carried forward from the financial year 2004 to the financial year 2005 have been used. In addition, EUR 4.6 million in appropriations have been carried forward from the financial year 2005 to the financial year 2006 and EUR 100 000 has been cancelled.

In parallel, the Council makes accompanying comments on the discharge which should be followed up. In particular, it:

- regrets the persistently high **carry-over rate** for administrative expenditure (Title II) and operating activities (Title III) and, once again, calls on the Foundation to improve consistency between the Foundation's annual work programme and the budget estimates;
- takes note of the accumulated imbalance resulting from the Foundation's **budgetary loss** in 1998 and expects it to be reduced within the shortest time period possible following an agreement between the Foundation and the Commission on the nature and the solution of the problem;
- calls on the Foundation to continue its efforts in setting measurable goals and subsequently monitoring their performance as well as in carrying out a sufficiently comprehensive and well-documented **risk analysis**.

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

2006/2154(DEC) - 24/04/2007 - Final act

PURPOSE: to grant discharge to the European Foundation for the Improvement of Living and Working Conditions for the financial year 2005.

LEGISLATIVE ACT: Decision 2008/509/EC of the European Parliament on the discharge for implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2005.

CONTENT: with the present decision, the European Parliament grants discharge to the Director of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2005.

This decision is in line with the European Parliament’s resolution adopted on 24 April 2007 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 24/04/2007).

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

2006/2154(DEC) - 27/02/2007

The Council, on the basis of intensive preparatory work, approved a recommendation on the discharge to be given to the Directors of the 16 European Union agencies for implementation of their budget for 2005. The recommendation will be submitted to the European Parliament, in accordance with the budgetary discharge procedure.

The Council makes reference to the **Court of Auditors report on translation expenditure** (see summary of the document annexed to the Commission’s discharge procedure DEC/2006/2070 dated 8 February 2007 06162/2007). It adopted the following conclusions:

Firstly, it states that it welcomes the Court's special report on translation expenditure - which amounted to EUR 511 million in 2005 - incurred by three institutions in particular as it covers the period of the accession of 10 new Member States, increasing the number of official and working languages to 21. In this context, it underlines the importance of the translation of documents in a European Union **multilingual environment** with equal treatment of the languages of its Member States.

It emphasises that translation demands are to be met in time and in adequate quality, as an essential part of the legislative process keeping the cost under control as well as having adequate procedures to give priority to essential translations which implies efficient and effective management of translation resources. It regrets, however, that in some cases politically important information which should be translated has been included in non translated annexes of documents.

The Council notes with satisfaction that the Court of Auditors stated that the institutions have generally met translation needs in the EU-15 languages in required quality inter alia by recourse to freelance translators. It regrets that all three institutions have faced structural difficulties in providing a sufficient volume and acceptable quality into the EU-10 languages. It expects the institutions to further enhance the degree of multilingualism as regards the information provided on their websites.

Moreover, the Council regrets the fact that the institutions, with the exception of the Commission for 2002, have not calculated their total costs or the average cost per page translated and invites them to do so from now on and inform the budgetary authority on a regular basis.

It notes with concern the fact that the productivity of the EU translation services is much lower than in the private sector, partly due to more effective use of IT tools in the private sector, although the quality of internal translation is recognised to be higher. It notes the long term action plan by the Council General Secretariat to increase its productivity by reducing the number of "full-time equivalent" in the EU-15 language units.

Inter-institutional cooperation: the Council advocates inter-institutional cooperation being reinforced to all institutions in order to improve the efficiency and the procedures and to reduce the costs in the field of translations. It urges the institutions to set up proper forecasting system and improve the system of workload balancing in order to make better use of spare capacity and to avoid unnecessary outsourcing. In 2005, according to the Court, EUR 11 million of freelance translation costs could have been saved by the Commission and by the Parliament by giving the non-urgent documents to be translated for other institutions. It regrets that it was not possible for the institutions to recruit enough translators in EU-10 languages which has resulted in quality and deadline problems in the EU-10 translations and it recommends that sufficient EU-10 translator resources should be ensured by measures increasing awareness and fostering interest in the Community's translation activity in the EU-10 Member States and other Candidate Countries. It recommends that similar measures be taken for Bulgaria and Romania.

The Council emphasises that future measures are to be taken by the institutions to contain the volume translated including control of the size of documents, without prejudice of equal treatment of EU official and working languages taking into account the operational effectiveness, and adoption of a fit-for-purpose approach for authorised texts for translation and encourages the institutions to improve their work planning and comply with the deadlines for requesting translations.

Lastly, the Council requests the institutions to improve the efficiency of the translation process in particular by intensifying the recourse to IT tools, reduction of secretarial support, working methods based on best practices and teleworking. It also invites the Court to examine also the translation expenditure of the other institutions and bodies.