

Basic information	
<b>2007/2047(DEC)</b> DEC - Discharge procedure 2006 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound) <b>Subject</b> 8.70.03.07 Previous discharges	Procedure completed

Key players				
European Parliament	<b>Committee responsible</b>		<b>Rapporteur</b>	<b>Appointed</b>
	<b>CONT</b> Budgetary Control		MARTIN Hans-Peter (NI)	27/03/2007
	<b>Committee for opinion</b>		<b>Rapporteur for opinion</b>	<b>Appointed</b>
	<b>EMPL</b> Employment and Social Affairs		MADEIRA Jamila (PSE)	17/12/2007
Council of the European Union	<b>Council configuration</b>		<b>Meetings</b>	<b>Date</b>
	Economic and Financial Affairs ECOFIN		2847	2008-02-12
European Commission	<b>Commission DG</b>		<b>Commissioner</b>	
	Budget		KALLAS Siim	

Key events			
Date	Event	Reference	Summary
30/03/2007	Non-legislative basic document published	SEC(2007)1055 	Summary
25/10/2007	Committee referral announced in Parliament		
26/03/2008	Vote in committee		Summary
03/04/2008	Committee report tabled for plenary	A6-0111/2008	
22/04/2008	Decision by Parliament	T6-0142/2008	Summary
22/04/2008	Results of vote in Parliament		
22/04/2008	Debate in Parliament		

22/04/2008	End of procedure in Parliament		
31/03/2009	Final act published in Official Journal		

Technical information	
Procedure reference	2007/2047(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/53857

Documentation gateway				
<b>European Parliament</b>				
Document type	Committee	Reference	Date	Summary
Committee draft report		<a href="#">PE396.689</a>	13/02/2008	
Committee opinion	<a href="#">EMPL</a>	<a href="#">PE400.444</a>	05/03/2008	
Amendments tabled in committee		<a href="#">PE402.802</a>	06/03/2008	
Committee report tabled for plenary, single reading		<a href="#">A6-0111/2008</a>	03/04/2008	
Text adopted by Parliament, single reading		<a href="#">T6-0142/2008</a>	22/04/2008	<a href="#">Summary</a>
<b>Council of the EU</b>				
Document type	Reference	Date	Summary	
Supplementary non-legislative basic document	<a href="#">05843/2008</a>	29/01/2008	<a href="#">Summary</a>	
<b>European Commission</b>				
Document type	Reference	Date	Summary	
Non-legislative basic document	<a href="#">SEC(2007)1055</a> 	30/03/2007	<a href="#">Summary</a>	
<b>Other institutions and bodies</b>				
Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	<a href="#">N6-0004/2008</a> <a href="#">OJ C 309 19.12.2007, p. 0001</a>	15/11/2007	<a href="#">Summary</a>

Additional information		
Source	Document	Date

## Final act

Budget 2009/0197  
OJ L 088 31.03.2009, p. 0093

[Summary](#)

## 2006 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

2007/2047(DEC) - 29/01/2008

Based on the observations contained in the revenue and expenditure account and the balance sheet of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2006, as well as on the Court of Auditor's report and the Foundation's replies to the Court's observations, the Council recommends that the Parliament grant the Director of the Foundation discharge in respect of the implementation of the budget for the financial year 2006.

In doing so, the Council confirms that EUR 4.3 million (94%) of the appropriations carried over from 2005 to 2006 (EUR 4.6 million) was used, that the appropriations carried over from 2006 to 2007 amount to EUR 4.3 million and that a total of EUR 200 000 was cancelled.

Recalling that the Court of Auditors was able to obtain reasonable assurance that the Foundation's annual accounts were, in all material aspects, reliable, the Council believes that there is a certain number of observations that must be taken into consideration when providing the discharge on the implementation of the 2006 budget, particularly regarding the following points:

- **Carry-overs:** the Council regrets the recurring carry-over rates, which are exceptionally high, for administrative expenditure (Title II) and operating activities (Title III) of the Foundation and call on it to remedy this short-term situation. It notes the Court's observation that the two contracts for services to be rendered exclusively in 2007 were charged in their entirety to the 2006 budget and encourages the Foundation to avoid such a practice in the future and to fully comply with the principle of annuality;
- **Recruitment procedure:** the Council notes the Court's observation on the shortcomings concerning the selection criteria which were neither decided at the outset nor defined in conformity with the vacancy notice. It calls on the Foundation to take action in this area, as soon as possible, in order to ensure that procedures are transparent and non-discriminatory.

## 2006 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

2007/2047(DEC) - 22/04/2008 - Final act

PURPOSE: to grant discharge to the European Foundation for the Improvement of Living and Working Conditions for the financial year 2006.

LEGISLATIVE ACT: Decision 2009/197/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 2006.

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 2006.

This decision is in line with the European Parliament's resolution adopted on 22 April 2008 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 22/04/2008).

## 2006 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

2007/2047(DEC) - 30/03/2007 - Non-legislative basic document

PURPOSE: presentation of the final accounts of the European Foundation for the Improvement of Living and Working Conditions for the 2006 financial year.

CONTENT: this document sets out a detailed account of the implementation of the Foundation's budget for 2006. It indicates that the Foundation's final budget amounted to 19.8 million EUR in 2006 (compared with 19.3 million EUR in 2005) 98.9% of which is derived from a Community subsidy.

In terms of personnel, the Foundation, whose headquarters are in Dublin (Ireland) officially had 94 posts provided for in the establishment plan, 89 of which were occupied and 10 further posts (seconded national experts and employment agency staff) amounting to 99 effective posts assigned to operational, administrative and mixed tasks. Expenditures relating to personnel in 2006 amounted to 9.774 million EUR.

The tasks of the Foundation are to contribute to the establishment of better living and working conditions by increasing and disseminating knowledge which is relevant to this subject, fostering the exchange of information and experience in these fields, facilitating contact between universities, study and research institutes, economic and social administrations and carrying out studies or concluding study contracts and providing assistance for pilot projects in the area of working conditions.

In 2006, the work undertaken by the Foundation included:

#### **Monitoring and surveys**

- Establishment of one Network of European Observatories (NEO) covering the former three networks attached to the European Industrial Relations Observatory (EIRO), the European Working Conditions Observatory (EWCO) and the European Restructuring Monitor (ERM),
- Fourth Working Conditions Survey: first results,
- First Company Survey: first results.

#### **Employment and restructuring**

- Studies on the Food & Beverage sector and Knowledge Intensive Businesses Services,
- Geographical and Labour Market Mobility in Europe: report,
- Attractive Workplaces for All: a contribution to the Lisbon Strategy at company level,
- Labour Supply in Care Services: report.

#### **Work-life balance and Working Conditions**

- Fourth Working Conditions Survey,
- 15 years of European working surveys: trend report,
- Measuring Job Satisfaction in surveys,
- Working-time reports based on the Company survey.

#### **Industrial Relations (IR) and Partnership**

- Working Time and Pay Developments,
- European Works Councils: reports and case studies,
- IR Country Profiles,
- Capacity Building for Social Dialogue: reports on New Member States and Turkey.

#### **Social Cohesion and Quality of Life**

- EurLIFE database updates,
- Ageing Workforce and Age Management: reports and case studies,
- Employment guidance services for people with disabilities.

#### **Communication and sharing ideas and experience**

- 332 publications, 53 press releases, 40 % increase in web use, 16 % increase of press cuttings
- Promotion campaigns 'Your work, your life; balance company needs with worker satisfaction' and 'Fourth Working Conditions survey: what workers say',
- Foundation Forum 2006 'Competitive Europe, Social Europe — Partners or Rivals?'
- Company Network Seminars
- Foundation Seminar Series 'Flexicurity and Employability'
- National Outreach Centres covering AU, BE, ES, FI, FR, HU, IT, LUX, SP, UK,
- Exhibitions at Employment week in Brussels and at the PES conference in Oporto.

The Foundation's full 2006 accounts may be found at the following address: <http://www.eurofound.europa.eu/about/publicaccess/categories/finance/2007.htm>

## **2006 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)**

2007/2047(DEC) - 15/11/2007

PURPOSE: presentation of the report by the Court of Auditors on the 2006 annual accounts of the Foundation for the Improvement of Living and Working Conditions.

CONTENT: the report indicates that the appropriations entered in the Foundation's Dublin budget for the financial year in question are **EUR 19.76 million**, EUR 19.217 million were committed and EUR 15.248 million paid. Of this overall amount, an amount of EUR 4.312 million was carried over to 2007 and EUR 200 000 was cancelled.

The Court notes that the Foundation's accounts are reliable in all material respects and that the underlying transactions, taken as a whole, are legal and regular.

**Analysis of the accounts by the Court:** the Court indicates that the implementation rate for 2006 commitment appropriations was more than 97%. However, carryover rates were 43% for administrative expenditure (Title II) and 45% for operating activities (Title III). Thus, the budgetary principle of **annuality** was not strictly observed, according to the Court.

The Court also indicates that the Foundation signed two contracts for services to be rendered in 2007 for a total value of EUR 305 987. These contracts were covered by 2006 commitment appropriations from Title II – Administrative expenditure. Despite the fact that the above contracts related to services to be rendered exclusively in 2007, they were not charged to the budget of the related financial year.

For recruitment procedures the selection criteria were neither decided by selection committees at the outset nor defined in conformance with the vacancy notice. According to the Court, this did not ensure transparent and non-discriminatory procedures.

**The Foundation's replies:** the Foundation replies to all of the criticisms one by one and indicates that measures will be taken to significantly reduce the carryover rate of appropriations for Title II in 2007. The Foundation also indicates that, taking into account the average duration of study contracts (18 months) and the payments schedule, about 35% of Title III credits unavoidably had to be carried over.

Concerning the contracts committed in 2006 (and paid in 2007), the Foundation indicates that the latter started on 1 January 2007 and that the 2007 budget was not yet established at that time. However, from 2007 onwards, they will be committed against the appropriations of the following year.

Lastly, the Court specifies that from March 2007, all vacancy notices include a clear indication of whether success in tests is a precondition for success in the examination.

## 2006 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

2007/2047(DEC) - 22/04/2008 - Text adopted by Parliament, single reading

The European Parliament adopted, by 624 votes in favour, 19 against and 42 abstentions, a Decision to grant the Director of the European Foundation for the Improvement of Living and Working Conditions discharge in respect of the implementation of its budget for the financial year 2006. The decision to grant discharge also constitutes closure of the accounts of this EU agency.

At the same time, the Parliament adopted, by 621 votes in favour, 19 against and 45 abstentions, a Resolution containing the comments which form part of the decision giving discharge. The report had been tabled for plenary by Hans-Peter **MARTIN** (NI, AT) on behalf of the Committee on Budgetary Control.

As is the case for all EU agencies, the Parliament's Resolution is divided into two parts: part one contains general comments on EU agencies, while part two focuses on the specific case of the Foundation.

**1) General comments on the majority of EU agencies:** the Parliament notes that the budgets of the 24 agencies and other satellite bodies audited by the Court of Auditors totalled **more than EUR 1 billion** and that the number of agencies is constantly increasing. The number of agencies subject to the discharge procedure evolved from 8 in 2000 to 20 in 2006. It concludes therefore that the auditing/discharge process has become cumbersome and disproportionate compared to the relative size of the agencies and that, in the future, this type of procedure should be simplified and rationalised for decentralised agencies.

On the basis of the financial analysis, the Parliament is of the following opinion:

**Fundamental considerations:** given the constantly increasing number of agencies, the Parliament requests that, before the creation of a new agency, the Commission provide clear explanations regarding agency type, objectives of the agency, internal governance structure, products, services, clients and stakeholders of the agency, formal relationship with external actors, budget responsibility, financial planning, and personnel and staffing policy. It also requests that each agency be governed by a yearly performance agreement which should contain the main objectives for the coming year and that the performance of the agencies be regularly audited by the Court of Auditors (and extend the financial analysis of expenditure to also cover administrative efficiency and effectiveness). More generally, the Parliament takes the view that, in the case of agencies, which are continually overestimating their respective budget needs, technical abatement should be made on the basis of vacant posts in order to reduce the assigned revenue for the agencies and therefore also lower administrative costs of the EU. It recalls that it is a serious problem that a number of agencies is criticised for not following rules on public procurement, the Financial Regulation, the Staff Regulations etc., and consider that the principal reason for this is that most regulations and the Financial Regulation are designed for bigger institutions rather than for small agencies. Therefore, it is necessary to seek a rapid solution in order to enhance the effectiveness of the legislation by grouping the administrative functions of various agencies together or by establishing implementing rules which are better adapted to the agencies. The Parliament also insists that the Commission, when drafting the Preliminary Draft Budget, take into consideration the results of budget implementation by the individual agencies in former years and revise the budget requested by the particular agency accordingly. If the Commission does not undertake this revision, the Parliament invites the competent committee to revise, itself, the budget in question to a realistic level. At the same time, the Parliament recalls that it expects the Commission to present every five years a study on the added value of every existing agency and to not hesitate to close an agency if it is deemed useless by the analysis. Such an

assessment is expected as soon as possible given that this type of assessment has yet to be presented. Furthermore, the Parliament insists that recommendations of the Court of Auditors should be promptly implemented and the level of subsidies paid to the agencies should be aligned with their real cash requirements.

**Presentation of reporting data:** noting that there is no standard approach among the agencies with regard to the presentation of information, the Parliament recalls that it already invited the directors of the agencies to accompany their annual activity report with a declaration of assurance concerning the legality and regularity of operations, similar to the declarations signed by the Directors General of the Commission. It therefore asks the Commission to amend its standing instructions to the agencies and to produce a harmonised model for presenting information, including: i) an annual report intended for a general readership on the body's operations, work and achievements; ii) financial statements and a report on implementation of the agency's budget; iii) an activity report of the Directors of the agency (as requested by the Parliament since 2005); iv) a declaration of assurance signed by the body's director.

**General findings by the Court of Auditors:** the Parliament refers to certain recurring findings by the Court, including the disbursement of subsidies paid by the Commission (not sufficiently justified estimates of the agencies' cash requirements), the non implementation of the ABAC accounting system by some agencies or the accrued charges for untaken leave which are accounted for by some agencies. It calls for rapid measures in these areas as well as improvements to the internal audit procedures of the agencies. The Parliament also calls on the agencies to consider an inter-agency disciplinary board, as some individual agencies have difficulty in setting up their own disciplinary boards due to their size.

**Draft inter-institutional agreement:** the Parliament recalls the Commission's draft Interinstitutional agreement on the operating framework for the European regulatory agencies (see [ACI/2005/2035](#)), which was intended to create a framework for the creation, structure, operation, evaluation and control of the European regulatory agencies and awaits its adoption as soon as possible. It particularly welcomes the Commission's commitment to bring forward a Communication on the future of the regulatory agencies during the course of 2008.

**2) Specific points concerning the Foundation for Living and Working Conditions:** the Parliament recalls that the Court of Auditors once again found high carry-over rates in the implementation of the Foundation's budget for 2006 (43 % for administrative expenditure and 45 % for operating activities). It particularly draws attention to the reservations expressed by the Court regarding the Foundation's respect of the principle of budget annuality, the conformance of the award of two contracts, the fact that amounts to be disbursed in full in 2007 were budgeted for in 2006, and the failure to observe the selection criteria applying to officials. In addition, the Court expressed reservations regarding personnel recruitment and selection procedures, even though the Foundation specifies that all vacancy notices now include a clear indication of whether success in tests is a precondition for success in the competition.

The Parliament also points out that, in 2006, the Foundation set up a management system to improve its organisational efficiency through greater transparency and better coordination in the use of resources. The Foundation also implemented a performance monitoring system as well as a clearer procurement system. Lastly, in 2006, the Foundation launched an ex-post evaluation of the 2001-2004 Work Programme, with a view to determining the organisation's impact, added value and effectiveness.