Basic information

2014/2088(DEC) DEC - Discharge procedure	Procedure completed
2013 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound) **Subject** 8.70.03.03 2013 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	CZARNECKI Ryszard (ECR)	26/09/2014
	Shadow rapporteur ZDECHOVSKÝ Tomáš (PPE) VAUGHAN Derek (S&D) ALI Nedzhmi (ALDE) DE JONG Dennis (GUE/NGL) JÁVOR Benedek (Verts/ALE) VALLI Marco (EFDD)	

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	HARKIN Marian (ALDE)	03/11/2014

European Commission

Commission DG	Commissioner
Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
30/07/2014	Non-legislative basic document published	COM(2014)0510	Summary
20/10/2014	Committee referral announced in Parliament		

23/03/2015	Vote in committee		
30/03/2015	Committee report tabled for plenary	A8-0092/2015	Summary
28/04/2015	Debate in Parliament		
29/04/2015	Decision by Parliament	T8-0157/2015	Summary
29/04/2015	Results of vote in Parliament		
29/04/2015	End of procedure in Parliament		
30/09/2015	Final act published in Official Journal		

Technical information

Procedure reference	2014/2088(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/01209

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE539.731	29/01/2015	
Committee opinion	EMPL	PE541.515	30/01/2015	
Amendments tabled in committee		PE539.761	05/03/2015	
Committee report tabled for plenary, single reading		A8-0092/2015	30/03/2015	Summary
Text adopted by Parliament, single reading		T8-0157/2015	29/04/2015	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	05304/2015	30/01/2015	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2014)0510	30/07/2014	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
		N8-0095/2014		

CofA	Court of Auditors: opinion, report	OJ C 442 10.12.2014, p. 0275	08/07/2014	Summary

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act	
Budget 2015/1683 OJ L 255 30.09.2015, p. 0328	Summary

2013 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

2014/2088(DEC) - 29/04/2015 - Final act

PURPOSE: to grant discharge to the European Foundation for the Improvement of Living and Working Conditions (Eurofound) for the financial year 2013.

NON LEGISLATIVE ACT: Decision (EU) 2015/1683 of the European Parliament on discharge in respect of the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2013.

CONTENT: with the present decision, the European Parliament grants discharge to the Director of Eurofound for the implementation of the latter's budget for the financial year 2013.

This decision is in line with the European Parliament's resolution adopted on 29 April 2015 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 29 April 2015).

Amongst Parliament's main observations, the latter noted that Eurofound had **not yet signed a headquarters agreement** with the host Member State. Parliament looked forward to the final round of negotiations and the subsequent signing of an agreement, which would promote transparency in respect of the conditions under which the Foundation operates.

2013 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

2014/2088(DEC) - 30/01/2015

Having examined the revenue and expenditure accounts for the financial year 2013 and the balance sheet at 31 December 2013 of the European Foundation for the Improvement of Living and Working Conditions (Eurofound), as well as the Court of Auditors' report on the annual accounts of the Foundation for the financial year 2013, accompanied by the Foundation's replies to the Court's observations, 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 2013.

The Council welcomes the Court's opinion that, in all material respects, the Foundation's annual accounts present fairly its financial position as at 31 December 2013 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of the Foundation's Financial Regulation and the accounting rules adopted by the Commission's accounting officer, and that the underlying transactions for that financial year are legal and regular.

Nevertheless, the Council has made some observations which may be summarised as follows:

- **physical inventory**: the Council calls on the Foundation to address the shortcomings identified by the Court in its fixed assets registration and accounting procedures, and to correct and finalise its physical inventory report;
- **carry-overs**: the Council encourages the Foundation to continue improving its financial management by systematically scrutinising carry-overs of appropriations to the following budgetary year and by limiting them to the minimum necessary.

2013 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

2014/2088(DEC) - 08/07/2014 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Foundation for the Improvement of Living and Working Conditions (EUROFOUND) for the financial year 2013, together with the Foundation's reply.

CONTENT: in accordance with the tasks conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, the Court presents to the European Parliament and to the Council, in the context of the discharge procedure, a Statement of Assurance as to the reliability of the annual accounts of each institution, body or agency of the EU, and the legality and regularity of the transactions underlying them, on the basis of an independent external audit.

This audit concerned, amongst others, the annual accounts of the European Foundation for the Improvement of Living and Working Conditions (EUROFOUND).

Statement of assurance: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the Foundation, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2013;
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Court's opinion, the Foundation's annual accounts present fairly, in all material respects, its financial position as at 31 December 2013 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer.

Opinion on the legality and regularity of the transactions underlying the accounts: in the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2013 are legal and regular in all material respects.

The report also makes a series of observations on the budgetary and financial management of the Foundation, accompanied by the latter's response. The main observations may be summarised as follows:

The Court's observations:

- **reliability of the accounts**: the Court noted weaknesses in the physical inventory. Tests carried out by the Court revealed that not all fixed assets were barcoded and recorded in the register and accounts. Equipment with a value of more than EUR 200 000 had been expensed instead of being capitalised, the error was corrected following the Court's audit;
- **budgetary management**: the level of committed appropriations carried over to 2014 was high at 35.6% for administrative expenditure and 48.6% for operating expenditure. Carry-overs of committed appropriations mainly related to procurement of IT hard- and software;
- **headquarters**: the Foundation became operational in 1975 and has, to date, worked on the basis of correspondence and exchanges with the host Member State. However, a comprehensive headquarters agreement between the Foundation and the Member State has not been signed. Such an agreement would further promote transparency in respect of the conditions under which the Foundation and its staff operate.

The Foundation's replies:

- **reliability of the accounts**: the physical inventory report was in the meantime finalised and published. Mistakes in relation to barcoding and registration have been rectified. Due to the low value of the items involved they are not considered assets and, therefore, the impact of these mistakes on the financial accounts was zero;
- **budgetary management**: the Foundation noted that the high level of carry-overs relating to services originally planned for 2014 (43% of all unplanned carry-overs) are due to the decisions on staff salaries for 2011 and 2012 which were taken late in 2013 and led to some available budget left. To ensure a high level of budget execution it was decided to use up the available funds according to the advice received from the Commission;
- **headquarters**: for over 30 years Eurofound had quite detailed arrangements with the Irish government on the application of the Protocol on Privileges and Immunities. Nevertheless, in early February Eurofound started negotiations on this topic with a view to come to an agreement with the Irish government by the end of 2014.

Lastly, the Court of Auditors' report contains a summary of the **Foundation's activities in 2013**. This is focused on the following:

Budget: EUR 20.6 million.

Activities:

- European Restructuring Monitor (ERM) and other tools to increase labour market participation and combating unemployment by creating jobs, improving labour market functioning and promoting integration;

- monitoring and updating the activities of the European Working Conditions Observatory (EWCO);
- monitoring and updating the activities of the European Industrial Relations Observatory (EIRO);
- quality of life survey;

- communication and sharing ideas and experiences. Eurofound website saw 2 060 195 user visits.

2013 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

2014/2088(DEC) - 29/04/2015 - Text adopted by Parliament, single reading

The European Parliament adopted by 558 votes to 130, with 3 abstentions, a decision to grant discharge to the Director of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2013. The vote on the discharge decision approved the closure of the accounts (in accordance with Annex VI, Article 5(1) of the Rules of Procedure of the European Parliament).

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Foundation for the financial year 2013 are reliable, and that the underlying transactions are legal and regular, Parliament adopted by 578 votes to 102, with 6 abstentions, a resolution containing a number of recommendations that form an integral part of the discharge decision and as well as the general recommendations that appear in the resolution on performance, financial management and control of EU agencies:

- **Foundation's financial statements**: Parliament noted that the final budget of the Foundation for the financial year 2013 was EUR20 624 300, representing an increase of 3.76% compared to 2012.
- **Carryovers**: Parliament noted that budget monitoring efforts during the financial year 2013 resulted in a budget implementation rate of 99.50 % and that the payment appropriations execution rate was 78.10 %. It remarked with concern that the level of committed appropriations carried over to 2014 was high at 35.60 % for administrative expenditure and 48.60 % for operating expenditure, which was high. It acknowledged that the carry-overs were mainly due to the procurement of equipment and works already contracted and planned for the beginning of 2014.

Members also made a series of observations on the prevention and management of conflicts of interests, recruitment, procurement procedures and internal audits.

Regarding the **reliability of the accounts**, Parliament noted that the Foundation carried out a comprehensive physical inventory exercise at the end of 2013 and the beginning of 2014 and that the physical inventory report wasn't finalised by February 2014 when the Court's audit took place. It acknowledged from the Foundation that the physical inventory report was finalised and published after the Court's audit took place and that the errors in relation to registration and barcoding were rectified. It also noted that the Foundation now registered the required documentation to ensure the proper tracing of the correct starting date for the calculation of the assets' depreciation. It acknowledged that the weaknesses in the area of fixed assets registration and accounting were largely due to the transition period towards a new asset accounting system, and that the deficiencies identified were remedied.

Parliament was concerned that although the Foundation became operational in 1975, a **comprehensive headquarters agreement** with the host Member State had not yet been signed. It noted that negotiations with the host Member State started in February 2014 and a draft agreement in which most of the previous contentious matters were resolved was presented to the Foundation. It called on the Foundation to inform the discharge authority on the outcome of those negotiations.

Lastly, Parliament welcomed the increased contributions of the Foundation to policy development, the greater use of its expertise in key Union policy documents and the growing recognition of the scientific value of the Foundation's research.

2013 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

2014/2088(DEC) - 30/07/2014 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2013, as part of the 2013 discharge procedure.

Analysis of the accounts of the **European Foundation for the Improvement of Living and Working Conditions (EUROFOUND)**.

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2013 as prepared on the basis of the information presented by the institutions, organisations and bodies of the EU, in accordance with Article 129 (2) of the Financial Regulation applicable to the EU's General Budget, including the European Foundation for the Improvement of Living and Working Conditions (EUROFOUND).

The document contains the figures on which the discharge procedure is based.

Discharge procedure of the EU agencies: the EU Budget finances a wide range of policies and programmes throughout the EU. In accordance with the priorities set by the European Parliament and the Council in the multi-annual financial framework (MFF), the European Commission carries out specific programmes, activities and projects in the field with the technical support of some specialised agencies.

The consolidated annual accounts of the EU provide information on the activities of the institutions, agencies and other bodies of the EU from a budgetary and accrual accounting perspective.

The consolidated reports on the implementation of the general budget of the EU include the budget implementation of all Institutions. **Agencies do not have a separate budget inside the EU budget**; and they are partially financed by a Commission budget subsidy.

Each agency is subject to its own discharge procedure.

EUROFOUND: in 2013, the tasks and budget of this agency were as follows:

- **description of the Foundation's tasks**: the European Foundation for the Improvement of Living and Working Conditions, which is located in Dublin, was set up by Council Regulation (EEC) No 1365/75. Its aim is to contribute to the planning and establishment of better living and working conditions in the Union by increasing and disseminating knowledge which is relevant to this subject. In particular, it is required to consider the following areas: (i) man at work, (ii) organisation of work and particularly job design, (iii) specific problems to certain categories of workers, (iv) improvement of the work environment;
- **the Foundation's budget for the 2013 financial year**: the Foundation's budget for 2013, as presented in the Commission document on the consolidated annual accounts of the European Union, gives the following figures:

  § **Commitment appropriations** :

  - **committed** : EUR 21 million;

  - **paid** : EUR 21 million;

  - **carried-over** : 0.

  § **Payment appropriations** :

  - **committed** : EUR 25 million;

  - **paid** : EUR 20 million;

  - **carried-over** : EUR 5 million.

Please refer also to the final accounts of the Foundation.

2013 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

2014/2088(DEC) - 30/03/2015 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Ryszard CZARNECKI (ECR, PL) on discharge in respect of the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2013.

The committee recommended that the European Parliament grant the Director of the Foundation discharge in respect of the implementation of the Foundation's budget for the financial year 2013.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Foundation for the financial year 2013 are reliable, and that the underlying transactions are legal and regular, Members called on the Parliament to approve the closure of the Foundation's accounts. They made, however, a number of recommendations that needed to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on performance, financial management and control of EU agencies.

- **Foundation's financial statements**: Members noted that the final budget of the Foundation for the financial year 2013 was EUR20 624 300, representing an increase of 3.76% compared to 2012.
- **Carryovers**: Members noted that budget monitoring efforts during the financial year 2013 resulted in a budget implementation rate of 99.50 % and that the payment appropriations execution rate was 78.10 %. They remarked with concern that the level of committed appropriations carried over to 2014 was high at 35.60 % for administrative expenditure and 48.60 % for operating expenditure, which was high. They acknowledged that the carry-overs were mainly due to the procurement of equipment and works already contracted and planned for the beginning of 2014.

Members also made a series of observations on the prevention and management of conflicts of interests, recruitment, procurement procedures and internal audits.

Regarding the **reliability of the accounts**, the committee noted that the Foundation carried out a comprehensive physical inventory exercise at the end of 2013 and the beginning of 2014 and that the physical inventory report wasn't finalised by February 2014 when the Court's audit took place. It acknowledged from the Foundation that the physical inventory report was finalised and published after the Court's audit took place and that the errors in relation to registration and barcoding were rectified. It also noted that the Foundation now registered the required documentation to ensure the proper tracing of the correct starting date for the calculation of the assets' depreciation. It acknowledged that the weaknesses in the area of fixed assets registration and accounting were largely due to the transition period towards a new asset accounting system, and that the deficiencies identified were remedied.

Lastly, the committee was concerned that although the Foundation became operational in 1975, a **comprehensive headquarters agreement** with the host Member State had not yet been signed. It noted that negotiations with the host Member State started in February 2014 and a draft agreement in which most of the previous contentious matters were resolved was presented to the Foundation. It called on the Foundation to inform the discharge authority on the outcome of those negotiations.