Basic information

2017/2148(DEC) DEC - Discharge procedure	Procedure completed
2016 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound) **Subject** 8.70.03.06 2016 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	STAES Bart (Verts/ALE)	14/09/2017
	Shadow rapporteur SARVAMAA Petri (PPE) LIBERADZKI Bogusław (S&D) FITTO Raffaele (ECR) ALI Nedzhmi (ALDE) DE JONG Dennis (GUE/NGL) VALLI Marco (EFDD) KAPPEL Barbara (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	ROLIN Claude (PPE)	03/10/2017

European Commission

Commission DG	Commissioner
Budget	OETTINGER Günther

Key events

Date	Event	Reference	Summary
26/06/2017	Non-legislative basic document published	COM(2017)0365	Summary

13/09/2017	Committee referral announced in Parliament		
20/03/2018	Vote in committee		
23/03/2018	Committee report tabled for plenary	A8-0092/2018	Summary
18/04/2018	Decision by Parliament	T8-0160/2018	Summary
18/04/2018	Results of vote in Parliament		
18/04/2018	Debate in Parliament		
18/04/2018	End of procedure in Parliament		
03/10/2018	Final act published in Official Journal		

Technical information

Procedure reference	2017/2148(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/10775

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	EMPL	PE612.088	24/01/2018	
Committee draft report		PE613.446	24/01/2018	
Amendments tabled in committee		PE618.266	02/03/2018	
Committee report tabled for plenary, single reading		A8-0092/2018	23/03/2018	Summary
Text adopted by Parliament, single reading		T8-0160/2018	18/04/2018	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05941/2018	09/02/2018	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2017)0365	26/06/2017	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary

CofA	Court of Auditors: opinion, report	N8-0038/2018 OJ C 417 06.12.2017, p. 0212	12/09/2017	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Budget 2018/1418 OJ L 248 03.10.2018, p. 0314	Summary

2016 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

2017/2148(DEC) - 23/03/2018 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Bart STAES (Greens/EFA, BE) on discharge in respect of the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) for the financial year 2016.

The committee called on the European Parliament to grant the Director of the Foundation discharge in respect of the implementation of the Foundation' s budget for the financial year 2016.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Foundation for the financial year 2016 were reliable and that the underlying transactions were legal and regular, Members called on 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**: the final budget of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2016 was EUR 20 789 500, representing a decrease of 1.72 % compared to 2015.
- **Budget and financial management**: budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 99.99 % and that the payment appropriations execution rate was 84.80 %, representing a decrease of 2.55 % compared to 2015.
- Members expressed concern about the negative budgetary impact of the growing Irish country coefficient which increasingly risks undermining the financial capability of the Foundation to deliver on its mandate. They expect action to be taken by the Institutions of the Union to offset the effects.
- **Commitments and carry-overs**: the level of committed appropriations carried forward to 2017 was high at EUR 2.8 million (43 %) for operational expenditure, compared to EUR 2.1 million (31 %) in 2015, mainly in relation to projects (studies and pilot schemes) going beyond the year end. The report recommended to the Foundation that it may consider introducing differentiated budget appropriations in order to better reflect the multiannual nature of operations and unavoidable delays between the signature of contracts, deliveries and payments. Carry-overs may often be justified and do not necessarily indicate weaknesses in budget planning and implementation.

Members also made a series of observations regarding the prevention and management of conflicts of interests, procurement and staff policy and internal controls and audits.

They recalled that **staffing cuts** have been implemented with great difficulty and reiterated their concern towards any further cuts which would limit the agencies' ability to carry out their mandate.

On internal audits, Members noted with satisfaction that the Foundation and the internal audit service (IAS) agreed on a plan to take corrective action against the weaknesses found in the Foundation's management of projects, mainly in relation to governance arrangements, monitoring and reporting.

Members also noted how strongly the Foundation has contributed to combating poverty and fraudulent contracting of work in several actions across the Union.

2016 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

2017/2148(DEC) - 03/10/2018 - Final act

PURPOSE: to grant discharge to the European Foundation for the Improvement of Living and Working Conditions (Eurofound) for the financial year 2016.

NON-LEGISLATIVE ACT: Decision (EU) 2018/1418 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 2016.

CONTENT: the European Parliament decided to **grant discharge** to the Director of Eurofound for the implementation of the latter's budget for the financial year 2016.

This decision is accompanied by a resolution of the European Parliament containing the observations which form an integral part of the discharge decision in respect of the implementation of the general budget of the European Union for the financial year 2016 (*please refer to the summary dated 18.4.2018*).

In this resolution, Parliament welcomed the successful implementation of the Foundation's four-year work programme with a high level of organisational effectiveness, as evidenced by an overall improvement of the Foundation's key performance indicators.

2016 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

2017/2148(DEC) - 18/04/2018 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Director of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) in regard to the implementation of the Foundation's budget for the 2016 financial year and to approve the closure of the accounts for the financial year in question.

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the Foundation's annual accounts for the financial year 2016 are reliable and that the underlying transactions are **legal and regular**, Parliament adopted by 559 votes to 130 with 5 abstentions, a resolution containing a series of recommendations, which form an integral part of the decision on discharge and which add to the general recommendations set out in the resolution on performance, financial management and control of EU agencies.

- **Foundation's financial statements:** the final budget of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2016 was EUR 20 789 500, representing a decrease of 1.72 % compared to 2015.
- **Budget and financial management:** budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 99.99 % and that the payment appropriations execution rate was 84.80 %, representing a decrease of 2.55 % compared to 2015.
- Members expressed concern about the negative budgetary impact of the growing Irish country coefficient which increasingly risks undermining the financial capability of the Foundation to deliver on its mandate. They expect action to be taken by the Institutions of the Union to offset the effects.
- **Commitments and carry-overs:** the level of committed appropriations carried forward to 2017 was high at EUR 2.8 million (43 %) for operational expenditure, compared to EUR 2.1 million (31 %) in 2015, mainly in relation to projects (studies and pilot schemes) going beyond the year end. The report recommended to the Foundation that it may consider introducing **differentiated budget appropriations** in order to better reflect the multiannual nature of operations and unavoidable delays between the signature of contracts, deliveries and payments. Carry-overs may often be justified and do not necessarily indicate weaknesses in budget planning and implementation.

Members also made a series of observations regarding the prevention and management of conflicts of interests, procurement and staff policy and internal controls and audits.

They recalled that **staffing cuts** have been implemented with great difficulty and reiterated their concern towards any further cuts which would limit the agencies' ability to carry out their mandate. They also emphasised the need to establish an independent body with sufficient budgetary resources to support **whistleblowers** wishing to disclose information on possible irregularities negatively impacting on the Union's financial interests, while ensuring their confidentiality is protected.

With regard to **internal audits**, Members noted with satisfaction that the Foundation and the internal audit service (IAS) agreed on a plan to take corrective action against the weaknesses found in the Foundation's management of projects, mainly in relation to governance arrangements, monitoring and reporting.

Lastly, Parliament welcomed the Foundation's high-quality analysis and policy input as regards living and working conditions, industrial relations and employment and labour market developments. It noted how strongly **the Foundation has contributed to combating poverty** and fraudulent contracting of work in several actions across the Union.

2016 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

2017/2148(DEC) - 12/09/2017 - 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 2016, 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**). In brief, the Foundation's task 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.

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 2016;
- 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 2016 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: the Court considers that the transactions underlying the annual accounts for the year ended 31 December 2016 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:

- **budgetary management**: the Court noted that the level of committed appropriations increased for operational expenditure at EUR 2.8 million, i. e. 43 % (2015: EUR 2.1 million, i.e. 31 %), mainly in relation to projects (studies and pilot schemes) going beyond the year end. The high level of carry-overs is in contradiction with the budgetary principle of annuality. The Foundation may consider introducing differentiated budget appropriations to better reflect the multi annual nature of operations and unavoidable delays between the signature of contracts, deliveries and payments.

The Foundation's reply:

- **budgetary management**: Eurofound acknowledged the observation of the Court as regards the high level of carry-overs. It stressed that it distinguishes between planned and unplanned carry-overs. It considers this distinction useful to better reflect the multi-annual nature of operations. However, it is carefully considering introducing **differentiated** budget appropriations.

Lastly, the Court of Auditors' report contains a summary of the **Foundation's key figures in 2016**:

- **Budget**: EUR 20.8 million (in payment appropriations).
- **Staff**: 104 including officials, temporary and contract staff and seconded national experts.

2016 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

2017/2148(DEC) - 26/06/2017 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2016, as part of the 2016 discharge procedure.

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

CONTENT: the organisational governance of the EU consists of institutions, agencies and other EU bodies whose expenditure is included in the general budget of the Union.

This Commission document concerns the EU's consolidated accounts for the year 2016 and details how spending by the EU institutions and bodies was carried out. The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective.

It is the responsibility of the Commission's Accounting Officer to prepare the EU's consolidated annual accounts and ensure that they present fairly, in all material aspects, the financial position, the result of the operations and the cashflows of the EU institutions and bodies, including the European Foundation for the Improvement of Living and Working Conditions (**Eurofound**), with a view to granting discharge.

Discharge procedure: the final step of a budget lifecycle is the discharge of the budget for a given financial year. It represents the political aspect of the external control of budget implementation and is the decision by which the European Parliament, acting on a Council recommendation, "**releases**" the Commission (and other EU bodies) from its responsibility for management of a given budget by marking the end of that budget's existence. The European Parliament is the discharge authority within the EU.

The discharge procedure may produce three outcomes: (i) the granting; (ii) postponement or; (iii) the refusal of the discharge.

The final discharge report including specific recommendations to the Commission for action is adopted in plenary by the European Parliament and are subject to an annual follow up report in which the Commission outlines the concrete actions it has taken to implement the recommendations made.

Each agency is subject to its own discharge procedure, including **Eurofound**.

Eurofound: the Foundation, which is located in Dublin (IRL), was set up by Council Regulation (EEC) No 1365/75 aims 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.

As regards the Foundation's accounts, these are presented in detail in the document on the consolidated annual accounts of the European Union for 2016:

Commitment appropriations:

- available: EUR 21 million;
- made: EUR 21 million.

Payment appropriations:

- available: EUR 24 million;
- made: EUR 20 million.

For further details on expenditure, please refer to Eurofound's 2016 annual accounts.

2016 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

2017/2148(DEC) - 09/02/2018 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2016 and the balance sheet as at 31 December 2016 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 2016, accompanied by the Foundation's replies to the Court's observations, the Council recommended 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 2016.

The Council welcomed the Court's opinion that, in all material respects, the Foundation's annual accounts present fairly its financial position as at 31 December 2016 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 that the underlying transactions for 2016 are legal and regular in all material respects.

Nevertheless, the following observations were made:

- **carry-overs**: the Council regretted that, in spite of its recommendations for 2015, an **even higher level** of commitment appropriations was carried over to 2017. The Council called on the Foundation to continue improving its financial programming and monitoring of the budget implementation, in order to reduce the level of commitments carried over to the following financial year to the minimum strictly necessary, in line with the budgetary principle of annuality;
- **staff**: the Council noted the Court's observation that the Foundation has not complied with certain of the Staff Regulations' provisions on remuneration and, while welcoming the Foundation's corrective actions, invited the Foundation to improve its payroll function.