

# Procedure file

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

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

Key events			
30/03/2007	Non-legislative basic document published	<a href="#">SEC(2007)1055</a>	Summary
25/10/2007	Committee referral announced in Parliament		
26/03/2008	Vote in committee		Summary
03/04/2008	Committee report tabled for plenary	<a href="#">A6-0111/2008</a>	
22/04/2008	Results of vote in Parliament		
22/04/2008	Debate in Parliament		
22/04/2008	Decision by Parliament	<a href="#">T6-0142/2008</a>	Summary
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 100
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/53857

### Documentation gateway

Non-legislative basic document		<a href="#">SEC(2007)1055</a>	30/03/2007	EC	Summary
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	CofA	Summary
Supplementary non-legislative basic document		<a href="#">05843/2008</a>	29/01/2008	CSL	Summary
Committee draft report		<a href="#">PE396.689</a>	13/02/2008	EP	
Committee opinion	<b>EMPL</b>	<a href="#">PE400.444</a>	05/03/2008	EP	
Amendments tabled in committee		<a href="#">PE402.802</a>	06/03/2008	EP	
Committee report tabled for plenary, single reading		<a href="#">A6-0111/2008</a>	03/04/2008	EP	
Text adopted by Parliament, single reading		<a href="#">T6-0142/2008</a>	22/04/2008	EP	Summary
Commission response to text adopted in plenary		<a href="#">SP(2008)3169</a>	28/05/2008	EC	

### Final act

[Budget 2009/197](#)  
[OJ L 088 31.03.2009, p. 0093](#) Summary

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

**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)

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The Committee on Budgetary Control adopted a report by Hans-Peter MARTIN (NI, AT) recommending that the Parliament grant the Director of the European Foundation for the Improvement of Living and Working Conditions discharge in respect of the implementation of the Foundation's budget for the financial year 2006.

The parliamentary committee notes that the Foundation's final annual accounts are as annexed to the Court of Auditors' report.

MEPs make a series of general comments on the EU agencies before focusing on the individual case of the Foundation.

1) General comments on the majority of EU agencies: MEPs note 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. They conclude 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, MEPs are of the following opinion:

- Fundamental considerations: given the constantly increasing number of agencies, MEPs request 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. They also request 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, MEPs take 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. They recall 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. MEPs also insist 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, MEPs invite the competent committee to revise, itself, the budget in question to a realistic level. At the same time, MEPs recall that they expect 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, MEPs insist 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, MEPs recall that they 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. They therefore ask 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: MEPs refer 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. They call for rapid measures in these areas as well as improvements to the internal audit procedures of the agencies. MEPs also call 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: MEPs recall the Commission's draft Interinstitutional agreement on the operating framework for the European regulatory agencies (see [ACI/2005/2035](#)), which intended to create a framework for the creation, structure, operation, evaluation and control of the European regulatory agencies and insist that it be completed as soon as possible. They particularly welcome 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: MEPs recall 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). They particularly draw 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 recruitment and selection procedures of personnel, 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.

MEPs also point 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.

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

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**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)

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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.