











Procedure file

Basic information		
DEC - Discharge procedure	2016/2162(DEC)	Procedure completed
2015 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)		
Subject 8.70.03.05 2015 discharge		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	CONT Budgetary Control	 AYALA SENDER Inés Shadow rapporteur  ZDECHOVSKÝ Tomáš  FITTO Raffaele  ALI Nedzhmi  JÁVOR Benedek  VALLI Marco  KAPPEL Barbara	05/08/2016
European Commission	Committee for opinion	Rapporteur for opinion	Appointed
	EMPL Employment and Social Affairs	 HARKIN Marian	09/09/2016
	Commission DG Budget	Commissioner GEORGIEVA Kristalina	

Key events			
11/07/2016	Non-legislative basic document published	COM(2016)0475	Summary
04/10/2016	Committee referral announced in Parliament		
22/03/2017	Vote in committee		

29/03/2017	Committee report tabled for plenary	A8-0111/2017	Summary
26/04/2017	Debate in Parliament		
27/04/2017	Results of vote in Parliament		
27/04/2017	Decision by Parliament	T8-0182/2017	Summary
27/04/2017	End of procedure in Parliament		
29/09/2017	Final act published in Official Journal		

Technical information

Procedure reference	2016/2162(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/07435

Documentation gateway

Non-legislative basic document		COM(2016)0475	11/07/2016	EC	Summary
Court of Auditors: opinion, report		N8-0134/2016 OJ C 449 01.12.2016, p. 0188	13/09/2016	CofA	Summary
Committee opinion	EMPL	PE592.091	31/01/2017	EP	
Committee draft report		PE593.882	03/02/2017	EP	
Supplementary non-legislative basic document		05873/2017	07/02/2017	CSL	Summary
Amendments tabled in committee		PE600.893	07/03/2017	EP	
Committee report tabled for plenary, single reading		A8-0111/2017	29/03/2017	EP	Summary
Text adopted by Parliament, single reading		T8-0182/2017	27/04/2017	EP	Summary

Final act

Budget 2017/1711
[OJ L 252 29.09.2017, p. 0303](#) Summary

2015 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2015, as part of the 2015 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.

The EU's operational expenditure of these institutions takes different forms, depending on how the money is paid out and managed.

From 2014 onwards, the Commission classifies its expenditure as follows:

- Direct management: the budget is implemented directly by the Commission services.
- Indirect management: the Commission confers tasks of implementation of the budget to bodies of EU law or national law, such as the

EU agencies.

- Shared management: under this method of budget implementation tasks are delegated to Member States. About 80 % of the expenditure falls under this management mode covering such areas as agricultural spending and structural actions.

This Commission document concerns the EU's consolidated accounts for the year 2015 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 Foundations accounts, these are presented in detail in the document on the consolidated annual accounts of the European Union for 2015:

Commitment appropriations:

- committed: EUR 22 million;
- paid: EUR 22 million;
- carried-over: 0.

Payment appropriations :

- committed: EUR 26 million;
- paid: EUR 23 million;
- carried-over: EUR 3 million.

For further details on expenditure, please refer to [Eurofound's annual accounts](#).

2015 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

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 2015, together with the Foundations 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 Foundations 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 2015;
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Courts opinion, the Foundations annual accounts present fairly, in all material respects, its financial position as at 31 December 2015 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 Commissions 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 2015 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 latters response. The main observations may be summarised as follows:

The Courts observations:

- budgetary management: the Court noted that the level of committed appropriations carried over to 2016 was high for operational expenditure at EUR 2 135 164, i.e. 31.2%. These carry-overs are mainly in relation to multiannual projects implemented according to schedule.

The Foundations replies:

- budgetary management: Eurofound acknowledged the observation of the Court

Lastly, the Court of Auditors report contains a summary of the Foundations key figures in 2015:

- Budget: EUR 21.2 million (in payment appropriations).
- Staff: 111 including officials, temporary and contract staff and seconded national experts.

2015 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

Having examined the revenue and expenditure accounts for the financial year 2015 and the balance sheet as at 31 December 2015 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 2015, 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 2015.

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 2015 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 2015 are legal and regular in all material respects.

Nevertheless, one observation was made:

- carry-overs: the Council noted that a high level of commitment appropriations was carried over to 2016. It encouraged 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.

2015 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

The Committee on Budgetary Control adopted the report by Inés AYALA SENDER (S&D, ES) 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 2015.

The committee called on the European Parliament to grant the Director of the Foundation discharge in respect of the implementation of the Foundations budget for the financial year 2015.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Foundation for the financial year 2015 were reliable and that the underlying transactions were legal and regular, Members called on Parliament to approve the closure of the Foundations 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](#):

- Foundations financial statements: Members note the final budget of the Foundation for the financial year 2015 was EUR 20 860 000 representing an increase of 0.42 % compared to 2014.
- Commitments and carry-overs: Members stated that the level of committed appropriations carried forward to 2016 was at EUR 2 135 164 (31.2 %) for operational expenditure, compared to EUR 3 814 156 (53.7 %) in 2014. They noted that carry-overs may often be partly or fully justified by the multiannual nature of the agencies operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality.

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

On performance, Members noted that the Foundations target of 80 % regarding the number of planned outputs in its work programme was not achieved, even though the Foundation improved its performance in comparison to 2014. They acknowledged the fact that the reasons why the Foundation missed the target are principally related to delays by contractors and the scarcity of staff resources. They expressed concern that, with the current resources outlook, the Foundations pan-European surveys are not secured in the long term as well as that the Foundation cannot commit to embark on further work, such as on migrants and refugees or undeclared work, despite strongly worded requests by its governing board.

They also expressed concern at the overall 10 % reduction of staff which has had an impact on the delay of some of the Foundations projects and contributed to difficult discussions in relation to negative priorities with the governing boards bureau. They called on the Commission to ensure that potential further cost-saving measures do not hinder the Foundation's ability to fulfil its mandate.

Lastly, Members noted the high-level impact of the Foundation, particularly in supporting the Union institutions, as reflected in the performance indicators presented in the consolidated annual activity report.

2015 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

PURPOSE: to grant discharge to the European Foundation for the Improvement of Living and Working Conditions (Eurofound) for the financial year 2015.

NON-LEGISLATIVE ACT: Decision (EU) 2017/1711 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 2015.

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 2015.

This decision is in line with the European Parliament's resolution adopted on 27 April 2017 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 27 April 2017).

Amongst Parliament's main observations in the resolution accompanying the discharge decision, the latter noted that a comprehensive headquarters agreement between the Foundation and the Member State hosting the Foundation is marked as completed. The host Member State is to provide the best possible conditions to ensure the functioning of the Foundation, including multilingual, European-oriented schooling and appropriate transport connections.

2015 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

The European Parliament decided to grant discharge to the Director of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) in respect of the implementation of its budget for the financial year 2015.

The vote on the decision on discharge covers the closure of the accounts (in accordance with Annex IV, Article 5 (1)(a) to Parliament's Rules of Procedure).

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the Foundations' annual accounts for the financial year 2015 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 511 votes to 108 with 4 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](#).

These recommendations may be summarised as follows:

- Foundations' financial statements: Parliament noted the final budget of the Foundation for the financial year 2015 was EUR 20 860 000 representing an increase of 0.42 % compared to 2014.
- Commitments and carry-overs: It stated that the level of committed appropriations carried forward to 2016 was at EUR 2 135 164 (31.2 %) for operational expenditure, compared to EUR 3 814 156 (53.7 %) in 2014. It noted that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality.

Parliament also made a series of observations regarding the budget and financial management, the prevention and management of conflicts of interests, procurement and recruitment procedures and internal controls and audits.

On performance, Parliament noted that the Foundations' target of 80 % regarding the number of planned outputs in its work programme was not achieved, even though the Foundation improved its performance in comparison to 2014. It acknowledged the fact that the reasons why the Foundation missed the target are principally related to delays by contractors and the scarcity of staff resources. It expressed concern that, with the current resources outlook, the Foundations' pan-European surveys are not secured in the long term as well as that the Foundation cannot commit to embark on further work, such as on migrants and refugees or undeclared work, despite strongly worded requests by its governing board.

Members also expressed concern at the overall 10 % reduction of staff which has had an impact on the delay of some of the Foundations' projects and contributed to difficult discussions in relation to negative priorities with the governing boards' bureau. They called on the Commission to ensure that potential further cost-saving measures do not hinder the Foundation's ability to fulfil its mandate.

Members noted the high-level impact of the Foundation, particularly in supporting the Union institutions, as reflected in the performance indicators presented in the consolidated annual activity report.

Collaboration with the Parliament: Parliament acknowledged the Foundations' progress in the implementation of the current four-year programme for 2013 to 2016 on research to assist the development of social and labour policies.

It noted the start of the European Parliament's pilot project, The future of manufacturing in Europe and considered it to be important to maintain strong cooperation between the Foundation and the Committee on Employment and Social Affairs in order to continue to engage in constructive and evidence-based discussions.