



Plenary sitting

A8-0143/2019

1.3.2019

REPORT

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 2017 (2018/2179(DEC))

Committee on Budgetary Control

Rapporteur: Petri Sarvamaa

CONTENTS

	Page
1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION.....	3
2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION.....	5
3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION.....	7
OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS	11
INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE.....	15
FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE	16

1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

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 2017 (2018/2179(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2017,
- having regard to the Court of Auditors' report on the annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2017, together with the Foundation's reply¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0069/2019),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³, and in particular Article 208 thereof,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012⁴, and in particular Article 70 thereof,
- having regard to Regulation (EEC) No 1365/75 of the Council of 26 May 1975 on the creation of a European Foundation for the improvement of living and working conditions⁵, and in particular Article 16 thereof,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in

¹ OJ C 434, 30.11.2018, p. 94.

² OJ C 434, 30.11.2018, p. 94.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 193, 30.7.2018, p. 1.

⁵ OJ L 139, 30.5.1975, p. 1.

Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council¹, and in particular Article 108 thereof,

- having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0143/2019),
1. Grants 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;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the European Foundation for the Improvement of Living and Working Conditions, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

¹ OJ L 328, 7.12.2013, p. 42.

2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2017 (2018/2179(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2017,
- having regard to the Court of Auditors' report on the annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2017, together with the Foundation's reply¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2017, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2017 (05825/2019 – C8-0069/2019),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³, and in particular Article 208 thereof,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012⁴, and in particular Article 70 thereof
- having regard to Regulation (EEC) No 1365/75 of the Council of 26 May 1975 on the creation of a European Foundation for the improvement of living and working conditions⁵, and in particular Article 16 thereof,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in

¹ OJ C 434, 30.11.2018, p. 94.

² OJ C 434, 30.11.2018, p. 94.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 193, 30.7.2018, p. 1.

⁵ OJ L 139, 30.5.1975, p. 1.

Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council¹, and in particular Article 108 thereof,

- having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0143/2019),
1. Approves the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2017;
 2. Instructs its President to forward this decision to the Director of the European Foundation for the Improvement of Living and Working Conditions, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

¹ OJ L 328, 7.12.2013, p. 42.

3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

with observations forming an integral part of the decision 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 2017 (2018/2179(DEC))

The European Parliament,

- having regard to its decision 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 2017,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0143/2019),
- A. whereas, according to its statement of revenue and expenditure¹, the final budget of the European Foundation for the Improvement of Living and Working Conditions (the “Foundation”) for the financial year 2017 was EUR 20 480 000 representing a decrease of 1,49 % compared to 2016; whereas the budget from the Foundation derives mainly from the Union budget;
- B. whereas the Court of Auditors (the “Court”) in its report on the Foundation’s annual accounts for the financial year 2017 (the “Court’s report”), has stated that it obtained reasonable assurances that the Foundation’s annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with appreciation that the budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 100 %, the same as in the 2016; takes note of the fact that the payment appropriations execution rate was 80,7 %, representing a decrease of 4,1 % compared to 2016;

Cancellation of carryovers

2. Welcomes the fact that the cancellations of carryovers from 2016 to 2017 amounted to EUR 37 528, representing 1,2 % of the total amount carried over, showing a decrease of 3,7 % in comparison to 2016;

Performance

3. Notes with satisfaction that the Foundation uses certain key performance indicators (KPIs), included in its performance monitoring system, which in addition to the KPIs consists of ‘metrics’ (other indicators for operational processes) and qualitative assessment and evaluation, to assess the added value, including the outcome and impact,

¹ O.J. C 108/40, 22.03.2018, p.207

provided by its activities, and to improve its budget management;

4. Acknowledges the fact that the delivery of work programme outputs planned for 2017 reached 90 % of achievement (35 of 39 outputs), whereas four outputs had to be delayed due to unforeseen events and were replanned to be delivered in early 2018, and that the Foundation contributed to 194 policy development Union level events (49 % of them being priority Union-level events);
5. Appreciates that the Foundation's high-quality work in expanding and disseminating knowledge has contributed to the planning and establishment of better living and working conditions in the Union; recognises the Foundation's active role as an essential contributor to policy development and its active role as a source of information for the ongoing EU-initiatives, such as the implementation of the European Pillar of Social Rights, work-life balance, access to social protection and improving working conditions; welcomes the Foundation's analysis and policy input as regards trends in quality of life against a background of the changing social and economic profile in the Overview report of the fourth European Quality of Life Survey;
6. Acknowledges the Foundation's progress in completing its four-year programme that identified four specific priority policy areas for the Foundation's future work programme;
7. Notes with appreciation that the Foundation continued cooperation with other EU Agencies and implemented actions agreed in annual plans with the European Agency for Safety and Health at Work (EU-OSHA), the European Union Fundamental Rights Agency, the European Institute for Gender Equality, the European Training Foundation (ETF) and the European Centre for the Development of Vocational Training (Cedefop), and continued its preparations in collaboration with Cedefop on the fourth European Company Survey, and in the sharing of the survey costs; acknowledges the fact that the Foundation initiated a new inter-agencies framework contract with eight participating agencies for evaluation and feedback services;
8. Observes that the Foundation was the subject of the external "cross-agencies" evaluation, together with the Cedefop, the EU-OSHA and the ETF, covering the period 2012 to 2016, which focused on the assessment of the Agencies' work regarding relevance, effectiveness, efficiency, coherence and Union added-value, as well as the future of the four Agencies; calls on the Foundation to report to the discharge authority on the results of the final report, particularly as regards to the evaluation on the Union added value provided by the Foundation, and the views on the future of the Foundation;
9. Notes with satisfaction that the Commission's proposal for a new founding regulation includes the obligation of performing an external evaluation every five years;

Staff policy

10. Notes that on 31 December 2017, the establishment plan was 95,70 % completed, with 89 Officials or temporary agents appointed out of 93 authorised under the Union budget (95 authorised posts in 2016); notes that, in addition, 10 contract agents and one seconded national expert were working for the Foundation in 2017;

11. Welcomes the results of the job screening exercise, carried out in December 2017, showing a relatively high level of stability year on year;
12. Notes the fact that the Foundation has adopted a policy on protecting the dignity of the person and prevention of harassment in 2017, and furthermore that it has a Dignity and Respect Programme in place;
13. Notes from the Court's report that the Foundation reported underpayments and overpayments to thirty staff members for the period 2005 to 2014 in relation to the transition to the new EU Staff Regulations in 2005; notes that the Foundation corrected all underpayments, but will not recover the overpayments; notes that a full evaluation of the payroll function was implemented and that actions have been taken, but the issue is still ongoing; calls on the Foundation to continue its efforts on resolving the issue and keep the Discharge Authority updated on the progress;

Procurement

14. Notes that the Foundation's Advisory Committee on Procurement and Contracts (ACPC) examined 30 dossiers in 2017; notes that in addition the ACPC carries out an annual ex-post verification of randomly selected low-value contracts awarded; welcomes the fact that the ACPC was satisfied overall that the Foundation adhered to the procurement procedures in 2017;
15. Notes from the Court's report that by the end of 2017 the Foundation was not yet using all of the tools launched by the Commission aimed to introduce a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement); notes from the Foundation's reply that some of the tools are already in place; calls on the Foundation to introduce all of the necessary tools to manage procurement procedures and report to the discharge authority on their implementation;

Prevention and management of conflicts of interest and transparency

16. Notes the Foundation's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interests, and whistle-blower protection; appreciates that in 2017 the Foundation implemented an ethics code and that the Foundation is committed to informing the discharge authority about any case of alleged or confirmed conflict of interest;
17. Notes from the Court's report that there is a need to strengthen the accounting officer's independence by making him directly responsible to the Foundation's director and management board; welcomes the steps already taken in order to ensure the accounting officer's independence;

Internal controls

18. Acknowledges the fact that the Foundation adapted the internal control framework focusing on monitoring the performance of the internal control system, in order to make it more suitable for the Foundation's environment;

19. Notes with satisfaction that the implementation of the action plan addressing the Commission's internal audit service (IAS) findings in relation to project management has been finalised and all agreed actions have been introduced;
20. Notes with appreciation that the Foundation and the IAS agreed to carry out a performance audit on "Prioritisation of activities and allocation of resources" in 2018; calls on the Foundation to report the results of this audit to the discharge authority;

Other comments

21. Notes the Foundation's preliminary efforts to ensure a cost-effective and environment-friendly working place; points out, however, that the Foundation does not have any additional measures in place to reduce or offset CO² emissions;

o

o o

22. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of ...2019¹ on the performance, financial management and control of the agencies.

¹ Texts adopted, P8_TA-PROV(2019)0000.

25.1.2019

OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS

for the Committee on Budgetary Control

on discharge in respect of the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions (Foundation) for the financial year 2017 (2018/2179(DEC))

Rapporteur for opinion: Marian Harkin

SUGGESTIONS

The Committee on Employment and Social Affairs calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Expresses its satisfaction that the Court of Auditors has declared the transactions underlying the Foundation's annual accounts for the financial year 2017 to be legal and regular and that its financial position as at 31 December 2017 is fairly represented;
2. Appreciates that the Foundation's high-quality work in expanding and disseminating knowledge has contributed to the planning and establishment of better living and working conditions in the Union; recognises the Foundation's active role as an essential contributor to policy development and its active role as a source of information for the ongoing EU-initiatives, such as the implementation of the European Pillar of Social Rights, work-life balance, access to social protection and improving working conditions; welcomes the Foundation's analysis and policy input as regards trends in quality of life against a background of the changing social and economic profile in the Overview report of the fourth European Quality of Life Survey;
3. Highlights the importance of good cooperation between Agencies working in the field of employment, social affairs and inclusion and particularly the cooperation between the Foundation, EU-OSHA, Cedefop and EIGE; furthermore considers 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;

4. Acknowledges the Foundation's progress in completing its four-year programme that identified four specific priority policy areas for the Foundation's future work programme;
5. Welcomes that the Foundation has had an ethics code in place since 2017 and is committed to inform the discharge authority about any alleged or real conflict of interest cases; also welcomes that the Foundation has committed to assess the possibilities to establish an independent disclosure, advice and referral body;
6. Welcomes that the Foundation expressed that they see the new Founding Regulation as an opportunity to reassess the matter of greater independence of the Accounting Officer in the future, as well as to carry out regular external evaluations;
7. Welcomes that the Foundation is assessing the possibilities to also open the e-procurement software for negotiated tenders; notes that e-submission and e-prior are currently not introduced;
8. Notes that the Court of Auditors sees a need to strengthen the accounting officer's independence by making him/her directly responsible to Eurofound's Director (administrative) and Governing Board (functional) - but that the Governing Board expresses satisfaction with the independence of the accounting officer and draws attention to an already existing entitlement to directly report to the Chair; calls for the Eurofound to strengthen the accounting officer's independence by making him directly responsible to the Agency's Director (administratively) and Board (functionally);
9. Recalls that staffing cuts have been implemented with great difficulty and reiterates its real concern regarding any further cuts which it is convinced would limit Eurofound's ability to carry out their mandate; highlights to this end the importance of ensuring adequate staff and financial resources allowing the Agency to implement its tasks; expresses concern on the budgetary impact of the Irish country coefficient increase to 119,8 in 2017; underlines that action must be taken by the Institutions to offset the budgetary consequences without any further delay as expressed in Parliament's position in the draft budget;
10. Reiterates the need to urgently implement independent disclosure, advice and referral mechanisms with sufficient budgetary resources, in order to help reporting persons use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice in line with the directive on persons reporting on breaches of Union law which is currently under inter-institutional negotiations;
11. Recommends, on the basis of the facts available, that discharge be granted to the Director of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) with respect to the implementation of the Foundation's budget for the financial year 2017.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	23.1.2019
Result of final vote	+: 42 -: 1 0: 2
Members present for the final vote	Laura Agea, Guillaume Balas, David Casa, Ole Christensen, Michael Detjen, Martina Dlabajová, Lampros Fountoulis, Arne Gericke, Marian Harkin, Czesław Hoc, Agnes Jongerius, Agnieszka Kozłowska-Rajewicz, Jean Lambert, Jérôme Lavrilleux, Jeroen Lenaers, Verónica Lope Fontagné, Javi López, Thomas Mann, Miroslavs Mitrofanovs, Elisabeth Morin-Chartier, Emilian Pavel, João Pimenta Lopes, Georgi Pirinski, Marek Plura, Dennis Radtke, Terry Reintke, Robert Rochefort, Claude Rolin, Romana Tomc, Yana Toom, Marita Ulvskog, Jana Žitňanská
Substitutes present for the final vote	Georges Bach, Amjad Bashir, Heinz K. Becker, Lynn Boylan, Eduard Kukan, Christelle Lechevalier, Paloma López Bermejo, António Marinho e Pinto, Alex Mayer, Csaba Sógor, Flavio Zanonato
Substitutes under Rule 200(2) present for the final vote	Angélique Delahaye, Monika Smolková

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

42	+
ALDE	Martina Dlabajová, Marian Harkin, António Marinho e Pinto, Robert Rochefort, Yana Toom
ECR	Amjad Bashir, Arne Gericke, Czesław Hoc, Jana Žitňanská
GUE/NGL	Lynn Boylan, Paloma López Bermejo, João Pimenta Lopes
PPE	Georges Bach, Heinz K. Becker, David Casa, Angélique Delahaye, Agnieszka Kozłowska-Rajewicz, Eduard Kukan, Jérôme Lavrilleux, Jeroen Lenaers, Verónica Lope Fontagné, Thomas Mann, Elisabeth Morin-Chartier, Marek Plura, Dennis Radtke, Claude Rolin, Csaba Sógor, Romana Tomc
S&D	Guillaume Balas, Ole Christensen, Michael Detjen, Agnes Jongerius, Javi López, Alex Mayer, Emilian Pavel, Georgi Pirinski, Monika Smolková, Marita Ulvskog, Flavio Zanonato
VERTS/ALE	Jean Lambert, Miroslavs Mitrofanovs, Terry Reintke

1	-
NI	Lampros Fountoulis

2	0
EFDD	Laura Agea
ENF	Christelle Lechevalier

Key to symbols:

+ : in favour

- : against

0 : abstention

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	20.2.2019
Result of final vote	+: 19 -: 1 0: 0
Members present for the final vote	Nedzhmi Ali, Inés Ayala Sender, Zigmantas Balčytis, Dennis de Jong, Tamás Deutsch, Martina Dlabajová, Ingeborg Gräßle, Jean-François Jalkh, Wolf Klinz, Monica Macovei, Georgi Pirinski, José Ignacio Salafranca Sánchez-Neyra, Petri Sarvamaa, Claudia Schmidt, Bart Staes, Marco Valli, Derek Vaughan, Joachim Zeller
Substitutes present for the final vote	Karin Kadenbach
Substitutes under Rule 200(2) present for the final vote	Petra Kammerevert

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

19	+
ALDE	Nedzhmi Ali, Martina Dlabajová, Wolf Klinz
ECR	Monica Macovei
EFDD	Marco Valli
GUE/NGL	Dennis de Jong
PPE	Tamás Deutsch, Ingeborg Gräßle, José Ignacio Salafranca Sánchez-Neyra, Petri Sarvamaa, Claudia Schmidt, Joachim Zeller
S&D	Inés Ayala Sender, Zigmantas Balčytis, Karin Kadenbach, Petra Kammerevert, Georgi Pirinski, Derek Vaughan
VERTS/ALE	Bart Staes

1	-
ENF	Jean-François Jalkh

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention