EUROPEAN PARLIAMENT DECISION

of 24 April 1997

giving discharge to the Administrative Board of the European Foundation for the Improvement of Living and Working Conditions in respect of the implementation of its budget for the 1995 financial year

(97/388/EC)

THE EUROPEAN PARLIAMENT,

— Having regard to the Treaty establishing the European Community, and in particular Article 206 thereof,

— Having regard to the statement of accounts of the European Foundation for the Improvement of Living and Working Conditions and the report of the Court of Auditors on this subject (C4-0051/97),

— Having regard to the Council recommendation of 17 April 1997 (C4-0178/97),

— Having regard to the report of the Committee on Budgetary Control (A4-0139/97),

A. Whereas the Court of Auditors finds that the financial statements for the financial year ended 31 December 1995 are reliable and the underlying transactions are, as a whole, legal and regular,

1. Notes the following figures for the accounts of the European Foundation for the Improvement of Living and Working Conditions:

1995 Financial Year

(ECU)

	1995	1994
Revenue	10 347 133,77	11 459 602,98
1. Subsidy from the Commission	10 143 647,54	11 240 000,00
2. Bank interest	148 464,45	134 337,39
3. Other	55 021,78	85 265,59
Expenditure		
1. Final budget appropriations	12 540 000,00	11 610 000,00
2. Commitments	12 350 066,17	10 362 419,42
3. Unused appropriations	189 933,83	1 247 580,58
4. Payments	9 338 128,08	8 301 557,70
5. Carry-overs from 1994	2 060 861,72	2 855 441,01
6. Payments against appropriations carried over	1 913 588,47	2 550 137,42
7. Appropriations carried over and cancelled (5-6)	147 273,25	305 303,59
8. Carry-overs to 1996	3 011 938,09	2 060 861,72
9. Cancellations (1-4-8)	189 933,83	1 247 580,58

2. Recommends yet again the appointment of a part-time financial controller for the Centre, possibly on a shared basis with other appropriate agencies, working under the Commission's financial controller, as a means of reducing the excessive recourse to imprest accounts;

3. In the absence of a local financial controller in the Foundation and in order to accelerate cumbersome procedures, asks the Commission to introduce a system whereby financial proposals can be submitted by the Foundation to the Commission's financial control service for examination and approval by electronic means;

4. Accepts that the Foundation's practice of making transfers between titles of its own budget is not in contravention of its own financial regulation, but emphasizes that such transfers are in principle undesirable; proposes therefore the following guidelines:

(a) on no account in any one budgetary year must more than 10 % of appropriations in Titles 1 and 2 or 5 % of appropriations in Title 3 be transferred out of the title concerned;

(b) all proposals for transfers between chapters in different titles must receive the explicit approval of the Commission and be sent at the same time for information to both arms of the budgetary authority;

5. In order to achieve more rigorous budgeting in agencies, calls on the Commission to look into the possibility of creating a central 'contingency fund' to be drawn upon and/or paid into by decentralized Community agencies following unforeseen budgetary costs or savings on salaries arising from exchange rate movements; requests a feasibility study on this possibility by 30 September 1997;

6. Looks forward to the introduction of a new common account system for all agencies in 1998 in the expectation that some of the isolated anomalies and errors in the financial management of the Foundation detected by the Court of Auditors will thereby be prevented;

7. Continues to look forward to the definitive resolution of the long-standing difficulties relating to the ownership of the land occupied by the Foundation; asks the Foundation to inform the European Parliament as soon as the legal formalities for the acquisition of the leasehold of the land have been completed;

8. Expresses its general satisfaction as to the reliability of the 1995 accounts and the legality and regularity of the financial management of the Foundation;

9. Gives discharge to the Administrative Board of the European Foundation for the Improvement of Living and Working Conditions in respect of the implementation of its budget for the 1995 financial year, on the basis of the report of the Court of Auditors;

10. Instructs its President to forward this Decision to the Administrative Board of the European Foundation for the Improvement of Living and Working Conditions, the Council, the Commission and the Court of Auditors and to have it published in the *Official Journal of the European Communities* (L series).

The Secretary-General
Julian PRIESTLEY

The President
José María GIL-ROBLES