DECISION OF THE EUROPEAN PARLIAMENT

of 13 April 2000

granting 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 1998 financial year

(2000/466/EC)

THE EUROPEAN PARLIAMENT,

Having regard to the report of the Court of Auditors on the financial statements and management of the European Foundation for the Improvement of Living and Working Conditions (Dublin-Foundation) for the financial year 1998 (C5-0150/2000) ([1]),

Having regard to the Council recommendation of 13 March 2000 (C5-0152/2000),

Having regard to the EC Treaty and in particular Article 276 thereof,

Having regard to Rule 93 and Annex V of its Rules of Procedure,

Having regard to the report of the Committee on Budgetary Control (A5-0089/2000),

Whereas:

A. Parliament granted discharge to the Administrative Board of the Foundation on 4 May 1999 ([2]) for the financial year 1997 on the basis of commitments to separate the duties of authorising and accounting officer, to enact a memorandum of understanding with the European Agency for Health and Safety in Bilbao and to improve day-to-day management by reducing the reliance on imprest accounts and by actively controlling mission expenses and study contracts.

B. The report of the Court of Auditors for 1998 notes that the Foundation relies substantially on the imprest accounts, needs to strengthen analysis and management of mission expenses, has not updated its version of the Implementation of the Financial Regulation since 1976 and needs to review its in-house translation with regard to the development of the Translation Centre for the Bodies of the European Union in Luxembourg.

C. The Foundation has not adopoted the budget and on-line visa system of the Commission, available for agencies since 1 January 1998.

D. The relatively long contradictory procedure between the Foundation and the Court of Auditors for a relatively short report leads to the submission of the annual report for 1998 in November 1999.

E. The Court of Auditors, whose mandate is not to evaluate the effectiveness of the Foundation in meeting its goals but to audit its accounts, concludes that it has obtained reasonable assurance that the annual accounts for the financial year ended 31 December 1998 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:

1998 FINANCIAL YEAR

	(in thousand EUR)
(a) **Revenue**	**11 448**
1. Subsidy from the Commission	11 262
2. Miscellaneous revenue	156
3. Revenue from services rendered against payment	30

([1]) OJ C 372, 22.12.1999, p. 38.
([2]) OJ C 279, 1.10.1999, p. 139.

(b) **Expenditure**	**13 586**
Title I — Staff expenditure	
1. Payments for the year	6 676
2. Appropriations carried over	78
Title II — Administrative expenditure	
1. Payments for the year	797
2. Appropriations carried over	223
Title III — Operating expenditure	
1. Payments for the year	2 893
2. Appropriations carried over	2 919
Balance for the year	**– 2 148**
Out-turn for the year ((a) – (b))	– 2 138
Amount received from the Commission	2 352
Appropriations carried over from the previous year which lapsed	60
Exchange rate differences for the year	– 70

Marking 25 years of operation

2. Congratulates the Foundation on its silver jubilee year of operation, since its creation by Council Regulation (EEC) No 1365/75 on 26 May 1975.

Impact of Commission reform programme

3. Notes that Parliament's demands for the Commission to reform its structure and financial management systems and the consequent change in the role of the Directorate-General for Financial Control will have a direct bearing on the Foundation and will require the recasting of the financial regulations and the introduction of activity-based budgeting.

Sharing experiences with other Agencies

4. Welcomes the active collaboration of the Foundation with six other Agencies, as well as with the Economic and Social Committee and the Committee of the Regions, in using the Sincom2 accounting system developed by the Commission, but is disappointed to note that only Agencies based in Copenhagen, Turin and Luxembourg have fully implemented the system at present.

5. Calls on the Commission to extend the system to encompass activity-based management for Agencies, including monitoring, auditing or evaluation of personnel, missions, documents and inventory, on the lines of the integrated resources management system (IRMS).

Cooperation with other Agencies

6. Welcomes the fact that Parliament's call for a Memorandum of Understanding with the European Agency for Health and Safety in Bilbao, on 31 March 1998 ([1]), has resulted in the directors of both agencies attending each other's Board meetings as observers and stronger links at project management level.

([1]) OJ C 138, 4.5.1998, p. 58.

7. Notes favourably that following observations by the Court of Auditors, more than 85 % of the Foundation's translation requirements are met by the Translation Centre in Luxembourg and will result in the review of the language and translation service in the Foundation.

Imprest accounts

8. Encourages the Foundation to further reduce its reliance on imprest accounts for payments and welcomes the fact that usage has decreased from EUR 3,89 million in 1997, or 40 % of total expenditure excluding salaries, to EUR 3,40 million or 37 % in 1998 and, following further cuts, to EUR 2,94 million or 32 % in 1999.

Mission expenses

9. Welcomes the fact that the Foundation has managed to reduce the cost of mission expenses through the use of strict guidelines whereby low-cost tickets are used and that it has managed to cut expenses from EUR 433 000 in 1997, to EUR 423 600 in 1998, to EUR 350 000 in 1999.

Requests to the Court of Auditors

10. Welcomes the short and precise reporting by the Court of Auditors and hopes that the Court will continue in this business-like fashion. Calls on the Court of Auditors to follow up systematically the decisions of the discharge authority and to produce a comprehensive analysis of the audits of all Agencies.

11. Calls on the Foundation and Court of Auditors to reduce the duration of the contradictory procedure to ensure that the annual report can be presented to Parliament before 15 July of the year following the financial year in question.

New strategy and action plan for 2001 to 2004

12. Welcomes the Foundation's preparation of its next four-year programme for 2001 to 2004, following the launch of an evaluation process in spring 1999, and notes with interest the progress in training staff and dedicating resources to monitoring and evaluating activities.

13. Calls on the Foundation to present to Parliament the results of its evaluation exercise and new strategy and action plan before 31 December 2000.

Discharge decision

14. 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 1998 financial year, on the basis of the report of the Court of Auditors.

15. Instructs its President to forward this decision to the Administsrative 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
Nicole FONTAINE