

REPORT

on the annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2010, together with the Foundation's reply

(2011/C 366/27)

INTRODUCTION

1. The European Foundation for the Improvement of Living and Working Conditions (hereinafter 'the Foundation'), which is located in Dublin, was set up by Council Regulation (EEC) No 1365/75 of 26 May 1975⁽¹⁾. Its aim 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⁽²⁾.

2. The Foundation's 2010 budget amounted to 20,8 million euro, compared with 20,2 million euro the previous year. The number of staff employed by the Foundation at the end of the year was 101, compared with 94 the previous year.

STATEMENT OF ASSURANCE

3. Pursuant to the provisions of Article 287(1), second subparagraph, of the Treaty on the Functioning of the European Union, the Court has audited the annual accounts⁽³⁾ of the Foundation, which comprise the 'financial statements'⁽⁴⁾ and the 'reports on the implementation of the budget'⁽⁵⁾ for the financial year ended 31 December 2010, and the legality and regularity of the transactions underlying those accounts.

4. This Statement of Assurance is addressed to the European Parliament and the Council in accordance with Article 185(2) of Council Regulation (EC, Euratom) No 1605/2002⁽⁶⁾.

The Director's responsibility

5. As authorising officer, the Director implements the revenue and expenditure of the budget in accordance with the financial rules of the Foundation, under his own

responsibility and within the limits of the authorised appropriations⁽⁷⁾. The Director is responsible for putting in place⁽⁸⁾ the organisational structure and the internal management and control systems and procedures relevant for drawing up final accounts⁽⁹⁾ that are free from material misstatement, whether due to fraud or error, and for ensuring that the transactions underlying those accounts are legal and regular.

The Court's responsibility

6. The Court's responsibility is to provide, on the basis of its audit, a statement of assurance as to the reliability of the annual accounts of the Foundation and the legality and regularity of the transactions underlying them.

7. The Court conducted its audit in accordance with the IFAC and ISSAI⁽¹⁰⁾ International Auditing Standards and Codes of Ethics. Those standards require the Court to comply with ethical requirements and to plan and perform the audit so as to obtain reasonable assurance as to whether the accounts are free of material misstatement and whether the underlying transactions are legal and regular.

8. The Court's audit involves performing procedures to obtain audit evidence of the amounts and disclosures in the accounts and of the legality and regularity of the transactions underlying them. The procedures selected, including its assessment of the risks of material misstatement of the accounts or of illegal or irregular transactions, whether due to fraud or error, depend on its audit judgement. In making those risk assessments, internal controls relevant to the entity's preparation and presentation of accounts are considered in order to design audit procedures that are appropriate in the circumstances. The Court's audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the accounts.

⁽¹⁾ OJ L 139, 30.5.1975, p. 1.

⁽²⁾ The *Annex* summarises the Foundation's competences and activities. It is presented for information purposes.

⁽³⁾ These accounts are accompanied by a report on the budgetary and financial management during the year which gives inter alia an account of the rate of implementation of the appropriations, with summary information on the transfers of appropriations among the various budget items.

⁽⁴⁾ The financial statements include the balance sheet and the economic outturn account, the cash-flow table, the statement of changes in capital and the annex to the financial statements, which includes a description of the main accounting policies and other explanatory information.

⁽⁵⁾ The budget implementation reports comprise the budget outturn account and its annex.

⁽⁶⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁷⁾ Article 33 of Commission Regulation (EC, Euratom) No 2343/2002 (OJ L 357, 31.12.2002, p. 72).

⁽⁸⁾ Article 38 of Regulation (EC, Euratom) No 2343/2002.

⁽⁹⁾ The rules concerning the presentation of the accounts and accounting by the Agencies are laid down in Chapter 1 of Title VII of Regulation (EC, Euratom) No 2343/2002 as last amended by Regulation (EC, Euratom) No 652/2008 (OJ L 181, 10.7.2008, p. 23) and are integrated as such in the Financial Regulation of the Foundation.

⁽¹⁰⁾ International Federation of Accountants (IFAC) and International Standards of Supreme Audit Institutions (ISSAI).

9. The Court believes that the audit evidence obtained is sufficient and appropriate to provide a basis for the opinions set out below.

Opinion on the reliability of the accounts

10. In the Court's opinion, the Foundation's Annual Accounts ⁽¹¹⁾ fairly present, in all material respects, its financial position as of 31 December 2010 and the results

of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation.

Opinion on the legality and the regularity of the transactions underlying the accounts

11. In the Court's opinion, the transactions underlying the annual accounts of the Foundation for the financial year ended 31 December 2010 are, in all material respects, legal and regular.

This Report was adopted by Chamber IV, headed by Mr Igors LUDBORŽS, Member of the Court of Auditors, in Luxembourg at its meeting of 6 September 2011.

For the Court of Auditors
Vitor Manuel da SILVA CALDEIRA
President

⁽¹¹⁾ The Final Annual Accounts were drawn up on 30 June 2011 and received by the Court on 4 July 2011. The Final Annual Accounts can be found on the following website <http://eca.europa.eu> or www.eurofound.europa.eu

ANNEX

European Foundation for the Improvement of Living and Working Conditions (Dublin)
Competences and activities

<p>Areas of Union competence deriving from the Treaty <i>(Article 151 of the Treaty on the Functioning of the European Union)</i></p>	<p>The Union and the Member States, having in mind fundamental social rights such as those set out in the European Social Charter signed at Turin on 18 October 1961 and in the 1989 Community Charter of the Fundamental Social Rights of Workers, shall have as their objectives the promotion of employment, improved living and working conditions, so as to make possible their harmonisation while the improvement is being maintained, proper social protection, dialogue between management and labour, the development of human resources with a view to lasting high employment and the combating of exclusion.</p>
<p>Competences of the Foundation <i>(Council Regulation (EEC) No 1365/75 as amended by Regulation (EC) No 1111/2005)</i></p>	<p>Objectives</p> <p>The aim of the Foundation shall be to contribute to the establishment of better living and working conditions by increasing and disseminating knowledge which is relevant to this subject. In particular, it is required to consider the following areas:</p> <ul style="list-style-type: none"> — man at work, — organisation of work and particularly job design, — problems peculiar to certain categories of workers, — long-term aspects of the improvement of the environment, — the distribution of human activities in space and in time. <p>Tasks</p> <ul style="list-style-type: none"> — to foster the exchange of information and experience in these fields, — to facilitate contact between universities, study and research institutes, economic and social administrations and organisations, — to carry out studies or to conclude study contracts and to provide assistance for pilot projects, — to cooperate as closely as possible with existing, — specialised institutes in the Member States and at international level.
<p>Governance</p>	<p>1 — The Governing Board (GB)</p> <ul style="list-style-type: none"> — from each Member State: <ul style="list-style-type: none"> — one government representative, — one representative from employers' organisations and one workers' representative, — three representatives from the Commission. <p>2 — The Bureau of the GB</p> <ul style="list-style-type: none"> — consists of 11 members; three members from each of the social partners and the governments, two from the Commission, — it monitors the implementation of decisions of the GB and takes measures for the proper management between GB meetings. <p>3 — The Director is appointed by the Commission from a list of candidates submitted by the GB, he implements the decisions of the GB and its Bureau and manages the Foundation.</p> <p>4 — The Committee of experts is composed of up to three members from the Commission, governments and the social partners, with the aim to advice on the implementation of major projects and the assessment of results.</p> <p>5 — External audit</p> <p>Court of Auditors.</p> <p>6 — Discharge authority</p> <p>Parliament acting on recommendation of the Council.</p>

<p>Resources available to Eurofound in 2010 (2009)</p>	<p>Budget</p> <p>20,9 million euro (20,2 million euro)</p> <p>Staff at 31 December 2010</p> <p>101 posts provided for in the establishment plan, of which 91 (81) were occupied at 31 December 2010.</p> <p><i>Other Staff:</i></p> <p>Seconded National Experts: 0 (0)</p> <p>Contract Staff: 10 (13)</p> <p>Total Staff employed: 101 (94)</p> <p><i>Allocated to</i></p> <p>Operating activities: 66 (62)</p> <p>Administrative tasks: 31 (28)</p> <p>Mixed: 4 (4)</p>
<p>Activities and services provided</p>	<p>Monitoring and surveys</p> <p><i>Network of European Observatories (NEO):</i></p> <ul style="list-style-type: none"> — European Industrial Relations Observatory (EIRO) 357 information updates added; five representativeness studies; annual updates on pay and working time and industrial action; annual review on industrial relations; 6 comparative analytical reports, — European Working Conditions Observatory (EWCO) 107 information updates added; six comparative analytical reports on occupational promotion of migrant workers and the self-employed, — European Restructuring Monitor (ERM) 1 258 restructuring fact sheets added; four comparative analytical reports. <p><i>Surveys:</i></p> <ul style="list-style-type: none"> — Second European Quality of Life Survey: secondary analysis report on family life and work, — Third European Quality of Life Survey: preparation of field work, — Fifth European Working Conditions Survey: field work with 44 000 interviews in 34 countries; publication of first findings (resume), — European Company Survey: overview report published, secondary analysis on flexibility profiles of companies and on part-time work. <p>Employment and competitiveness</p> <ul style="list-style-type: none"> — Investment funds and restructuring. — The impact of globalisation on selected sectors: financial services. — Emerging forms of entrepreneurship. — Short-time working schemes (Report 'Extending flexicity — The potential of short-time working schemes'). <p>Industrial relations and workplace development</p> <ul style="list-style-type: none"> — Derogation clauses on wages. — Flexicity in times of crises. — Industrial relations in the commerce sector. — Employee involvement in companies under the European Company Statute. — From national to sectoral industrial relations. — Social dialogue and recession in the automotive sector.

	<p>Social cohesion and quality of life</p> <ul style="list-style-type: none">— Measures for social inclusion of the elderly.— Parenting support.— Intercultural policies and intergroup relations.— Trends in quality of life in Europe 2003-2009.— Managing household debt. <p>Communication and sharing ideas and experience</p> <p>85 511 print publications disseminated; 679 new web and print publications; 873 contacts and briefing meetings with European level policy makers; 1,8 million user sessions; media activities resulted in reaching 130 million European citizens; 252 enquiries from journalists.</p> <ul style="list-style-type: none">— Conference: 'Working longer through better working conditions; new modes of work and career organisation'.— Foundation Seminar Series 'Skills development in Europe: challenges and actions'.— 17 exhibitions and 25 visits to Eurofound.
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Source: Information supplied by the Foundation.

THE FOUNDATION'S REPLY

1. Eurofound has taken note of the Court's report.
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