RESOLUTION (EU) 2022/1795 OF THE EUROPEAN PARLIAMENT

of 4 May 2022

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 (Eurofound) for the financial year 2020

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 (the 'Foundation') for the financial year 2020,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Employment and Social Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0109/2022),

A. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the Foundation for the financial year 2020 was EUR 21 395 000, representing a decrease of 0,44 % compared to 2019; whereas the Foundation's budget 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 2020 (the 'Court's report') states that it has obtained reasonable assurance that the Foundation's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2020 resulted in a budget implementation rate of 99,91 %, representing a slight decrease of 0,07 % compared to 2019; takes note of the fact that the payment appropriations execution rate was 80,44 %, representing a decrease of 0,48 % compared to 2019;

2. Welcomes the fact that the Foundation is in the process of implementing actions in response to the Court's two observations of 2019; notes with concern the changes in the shares of the budget titles due mainly to the increasing prices in the host country and calls on the Commission and the budgetary authority to take adequate measures in order to preserve the share of the operating expenditures of the Foundation's budget;

Performance

3. Notes that the Foundation uses four 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 a qualitative assessment and evaluation to assess the added value provided by its activities and to improve its budget management;

4. Acknowledges the fact that the delivery of work programme outputs planned for 2020 reached 98 % of achievement, with 45 out of 46 deliverables achieved in 2020;

5. Notes that the Foundation stepped up its collaboration and cooperation with key stakeholders in 2020 and more than 10 webinars were organised with partners such as the Commission, Parliament, the International Labour Organization and Union agencies; notes that the Foundation has an ongoing collaboration with the European Labour Authority (ELA); notes that in 2020 the Foundation and Cedefop continued to cooperate on the European company survey, jointly conducted in 2018/2019, and that the dissemination of activities was organised jointly with the Institute of Labour Economics (IZA); notes that the Foundation is a key data provider for the European Institute for Gender Equality's Gender Equality Index and a regular exchange of information takes place with the

([1]) OJ C 107, 31.3.2020, p. 8.

European Agency for Safety and Health at work; notes, in addition, that the Foundation is seeking to establish a memorandum of understanding with the ELA and the European Environment Agency (EEA); welcomes the cooperation and sharing of knowledge of the Foundation as an example worth following for other agencies and bodies; notes that this collaboration promotes the creation of synergies and helps to avoid overlaps;

6. Calls on the Foundation to continue to develop its synergies, increase cooperation and exchange of good practices with other Union agencies with a view to improving efficiency (human resources, building management, IT services and security);

7. Notes that during 2020 a regular four-year evaluation of the Network of Eurofound Correspondents was conducted by an external evaluation contractor, guided by an ad hoc steering committee with representatives from all four groups of the management board and that several recommendations were made, in particular concerning the development of an intervention logic for the Network of Eurofound Correspondents and the development of a roadmap for the Network of Eurofound Correspondents;

8. Appreciates the Foundation's high quality work in enhancing and disseminating knowledge and in providing evidence-based expertise to support European policy development concerning the improvement of living and working conditions, labour markets and industrial relations in the Union;

9. Stresses the Foundation's importance, autonomy and added value in its field of expertise;

10. Believes that the Foundation can play a crucial role in further analysing the increase in telework and related impacts on work–life balance and quality of working conditions, dissemination of best practices and assessing possible policy responses; welcomes the Foundation's work programme to analyse policy options to improve working conditions, industrial relations, employment and living conditions;

11. Highlights the need to ensure adequate human and financial resources allowing the Foundation to continue implementing its work programme with a very high activity completion rate, including in light of the significant challenges regarding, inter alia, the changing world of work and the upcoming Union action plan on care;

12. Recognises, with a high degree of satisfaction, the successful adaptation of the Foundation to the difficult conditions created by the COVID-19 pandemic and the valuable knowledge and analysis provided to policymakers and stakeholders on the changes brought by the COVID-19 pandemic onto the world of work and broader quality of life (i.e. teleworking, platform work, increasing gender inequalities and intergenerational differences, labour shortages, long-term care, industrial relations, etc.); notes also the impact of the COVID-19 pandemic on the Foundation's work, with the planned fieldwork for the 7th European Working Conditions survey significantly changed, disrupting the potential for a trend analysis of working conditions over more than 20 years;

13. Welcomes the Foundation's work to analyse the impact of living and working in the Union through the COVID-19 pandemic through its e-survey 'Living, working and COVID-19' and report on the 'impact of COVID-19 on young people in the EU';

14. Appreciates the Foundation's support of trade unions, employers' organisations, national governments and Union institutions and its cooperation with other Union agencies working in the field of employment, social affairs and inclusion under the remit of the Commission's Directorate-General for Employment, Social Affairs and Inclusion (DG EMPL);

15. Welcomes the Foundation's commitment to research and analysis in the area of digital and green transitions and believes that in its future work programmes it should assess and analyse policy option on the socio- economic impact of the digital and green transitions;

16. Appreciates, while stressing the importance of the Foundation remaining independent from the other Union agencies, the Foundation's close cooperation with DG EMPL and all the relevant Union agencies, such as Cedefop, the EIGE, the ETF, the FRA, EU-OSHA and the EEA, which aims at strengthening the synergies between those agencies; welcomes the Foundation's active participation in the EU Agencies Network (EUAN);

Staff policy

17. Notes that on 31 December 2020 the establishment plan was 95 % implemented, with 11 officials and 76 temporary agents appointed out of 91 authorised under the Union budget (compared to 91 authorised posts in 2019); notes that, in addition, 11 contract agents and one seconded national expert were working for the Foundation in 2019;

18. Notes the gender balance among senior management, with four men (44,4 %) and five women (55,56 %), among the management board members, with 49 men (60,5 %) and 32 women (39,5 %), and among the overall staff with 41 men (41,4 %) and 58 women (58,6 %);

19. Notes that the Foundation has adopted a policy on protecting the dignity of persons and preventing harassment; notes that in 2020 three members of staff received training as confidential counsellors as well as a coordinator; takes note of the fact that one staff member made an allegation of harassment in 2020 and the case was investigated and closed in 2021; notes that one case of harassment was brought to Court (T-630/19) with judgment delivered on 8 September 2021 and the action taken against the Foundation was rejected in its entirety with expenses to be paid by the claimant;

20. Encourages the Foundation to pursue the development of a long-term human resources policy framework which addresses work-life balance, lifelong guidance and career development, gender balance, teleworking, geographical balance and the recruitment and integration of people with disabilities;

Procurement

21. Notes from the Court's report that the Foundation concluded a framework contract in June 2019 for a maximum amount of EUR 170 000 to supply of electricity on the basis of a negotiated procurement procedure with a single candidate, without the prior publication of a contract notice waiver; notes the Court's observation that the contractor is a retail supplier, with the provision of electricity not quoted and purchased on a commodity market, and that therefore the exception of a negotiated procurement procedure as followed by the Foundation is not applicable; notes the Court's conclusion that the related contracts and the associated payments of EUR 20 255 are irregular; notes from the Foundation's reply that it accepts the observation and that a new tender has been launched in early 2021;

22. Notes from the Court's report that in October 2019 the Foundation launched a negotiated procurement procedure, with an estimated budget of EUR 140 000, for a framework contract for the refurbishment of its toilet facilities and the only bidder was selected with a contract value EUR 176 800 (23 % above the threshold for an open procedure) ([2]) and while the exception of negotiated procurement procedure was authorised appropriately by the Foundation, it does not eliminate the fact that an open procedure should have been used; notes that the Foundation accepted the Court's position but concluded that a repetition of the tender, using the open procedure instead of the negotiated procedure would not have led to a more economically advantageous outcome;

23. Notes that the Foundation has introduced e-procurement, with the e-submission module in operation since mid-2019; notes that the Foundation in 2020 developed a set of guidelines to outline clear and verifiable environmental criteria for products and services in the public procurement process and that it joined the inter-institutional framework contract for the Commission's Green Public Procurement Helpdesk;

([2]) Article 175 (1) to the Financial Regulation – Regulation (EU, Euratom) 2018/1046 and Article 4 of the Directive 2014/24/EU of the European Parliament and of the Council (OJ L 94, 28.3.2014, p. 65) setting the threshold of 144 000 euros for public supply and service contracts.

Prevention and management of conflicts of interest and transparency

24. Notes the Foundation's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interest, and whistle-blower protection; notes that not all management board members' CVs and declarations of interest are published on the Foundation's website;

25. Notes that the Foundation updated its rules for the prevention and management of conflicts of interests, that were adopted by the management board in 2020 and that the declarations of members of the management board are assessed and reviewed by the conflict of interests review panel on behalf of the board following a clear list of criteria and principles; notes that no declaration of conflict of interest from a board member or an external gave reason to launch a detailed assessment of the declared interests during 2020;

Internal control

26. Notes that in 2020, the Commission's internal audit service (IAS) carried out an audit on human resources management and ethics, following the in-depth risk assessment carried out in 2019 as part of the preparation of the IAS strategic audit plan for 2020–2022; notes that the Foundation has to draw up an action plan in response to the recommendations of the IAS;

27. Notes that in 2020 the Foundation has acted on all the recommendations provided in the performance audit on 'prioritisation of the Foundation's activities and allocation of the resources', conducted in 2018 by the IAS;

28. Notes that the Foundation carried out a fraud risk assessment in 2020, with its main conclusions incorporated in the Foundation's new anti-fraud strategy, adopted in November 2020; notes that the new anti-fraud strategy focuses on building an anti-fraud culture through awareness-raising activities and a connection between internal controls and fraud prevention;

29. Notes that the Foundation has performed an assessment of its internal control system, concluding that implementation of the five components and their associated internal control principles is sufficiently embedded in the culture, processes and control activities of the Foundation; notes that nevertheless several elements of the internal control system were reinforced, in particular that ongoing monitoring was strengthened with a new employee working conditions survey and a fraud awareness survey, allowing for early detection of potential deficiencies; welcomes the Foundation's efforts in this regard;

30. Notes that the Court reported internal control weaknesses in regard to 'sensitive functions' and related mitigating controls, finding the inventory of sensitive posts outdated and no longer reflecting the Foundation's current internal organisation; is satisfied, however, that a new policy on sensitive posts was finalised on 23 June 2021 following the Court's audit that was reflected in the Court's final report;

COVID-19 response and business continuity

31. Notes that in 2020 the Foundation's operations were initially strongly affected by the COVID-19 pandemic; notes that the Foundation adapted quickly to telework and developed and launched its first ever online survey, a new database and a variety of amended research and communication outputs; notes that the Foundation developed the 'Living, working and COVID-19 e-survey' to capture the pandemic's implications for people across Europe and by doing so provided, as one of the first European institutions, agencies and bodies, fresh data on the pandemic; notes that the Foundation also established the COVID-19 EU PolicyWatch database; notes that the events supposed to be held in person during 2020 were converted into webinars and that the conversion from registrations to actual attendance was between 30 % and 50 %, which the Foundation reports as being higher than the industry average;

Other comments

32. Notes that in 2020 the Foundation saw a rise in cyber threats and increased the frequency of proactive system security updates and risk assessment; notes the collaboration with CERT-EU and the Commission's Directorate-General for Informatics to increase the sharing of information on cyber threat intelligence; notes that the Foundation has expanded its protection of data, using off-site cloud backup services and that a comprehensive cyber security policy is being drafted; calls on the Foundation to keep the discharge authority informed on the cyber security policy and the implications for the Foundation;

33. Notes that in September 2020 the Foundation signed up to a Parliament initiative providing a Green Public Procurement Helpdesk for assistance in sustainable procurement;

34. Recalls the importance to increase the digitalisation of the Foundation in terms of internal operation and management but also in order to speed up the digitalisation of procedures; stresses the need for the Foundation to continue to be proactive in this regard in order to avoid a digital gap between the agencies at all costs; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;

35. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 4 May 2022 ([3]) on the performance, financial management and control of the agencies.

([3]) Texts adopted, P9_TA(2022)0196.