

2006 discharge: European Centre for the Development of Vocational Training Cedefop

2007/2046(DEC) - 15/11/2007

PURPOSE: to present the report by the Court of Auditors on the 2006 accounts of the European Centre for the Development of Vocational Training (Cedefop).

CONTENT: the report notes that payment appropriations entered in the Centre's budget for 2006 amounted to EUR 17.563 million, of which EUR 13.475 million were paid (and no commitments under a system of differentiated appropriations). Of this overall sum, an amount of EUR 1.48 million was carried over to 2007 and one of EUR 2.607 million was cancelled.

Analysis of the accounts by the Court: while the Court notes that the Centre's accounts are reliable in all material respects and that the underlying operations are, on the whole, legal and regular, certain observations must be made concerning the recruitment of its personnel (see below).

In terms of operating costs, in 2006 more than 43% of commitments entered into were carried over to the following year and, in regard to operating activities, more than 20% of payment appropriations were cancelled.

The Court noted that a high number of budgetary transfers were made, most of which took place at the end of the year, and that a significant amount was transferred from personnel expenditure to operating expenditure. It is, therefore, clear that there has not been full compliance with the principle of budgetary specificity. At the same time, CEDEFOP has neither defined nor documented an inventory procedure enabling the exhaustive determination and recording of assets. More generally, the documentation of the main procedures, including internal control processes, was incomplete.

In terms of recruitment, the Court notes that the Centre did not correctly verify the professional experience of candidates, as specified in the vacancy notice, during the preselection stage, resulting in certain candidates being rejected after they had received a formal offer of employment.

In addition, in the context of a procurement procedure, tenderers found themselves in a situation lacking total transparency due to the complexity of the system for evaluating offers, as well as the lack of clear and comprehensive information on the award criteria. For a framework contract with a value of EUR 80 000, the Centre did not publish sufficient information concerning the overall market value, neither in the contract notice nor in the tender documents. Moreover, an IT maintenance service contract, signed in December 2003 by an unauthorised person, was being used until the end of 2006.

In its 2005 Statement of Assurance (see [DEC/2006/2153](#)), the Court had already emphasised the absence of a legal basis for a decision of the Centre's Appeal Committee by granting to an agent a compensation for non-pecuniary harm not provided for in the Staff Regulations. The Court of Auditors had contested this decision, arguing that it represented a practice contrary to the status of civil servants. Despite the Court's observation, in 2006 a sum of EUR 3 000 was awarded as compensation to an individual.

The Centre's response: the Centre indicates that it has made further efforts to better plan and control the implementation of its budget. In future, it shall further reinforce the measures taken, enabling improved budget specificity.

In terms of financial documentation, the Centre notes that it developed and documented its inventory management system, clearly defining the responsibilities at stake. This system should be implemented at the end of 2007.

At the same time, regarding recruitment, the Centre tightened controls during the pre-selection stage and before making offers of employment.

Other measures were taken in 2007 to clarify tendering documents, improve information on market volume and a new IT procedure was launched to alleviate the shortcomings of the previous one in this area.

Lastly, concerning the issue of the legality of a decision made by the Centre's appeals committee – a decision contested by the Court – the Centre maintains that such a decision was in accordance with the rules adopted by the Centre's management board, which had requested the opinion of the Legal Service of the European Commission following the Court's ruling in 2005, in order to ensure its legality. The Legal Service of the Commission confirmed the full legality of the appeals committee's decision and this ruling was then passed on to the Court. Following the Court's renewed observation, the Centre notes that it will, once again, consult the College of the Heads of Administration.