

# 2011 discharge: European Centre for the Development of Vocational Training (Cedefop)

2012/2183(DEC) - 11/09/2012 - Court of Auditors: opinion, report

**PURPOSE:** presentation of the EU Court of Auditors' report on the annual accounts of the European Centre for the Development of Vocational Training (CEDEFOP) for the financial year 2011, together with the Centre's reply.

**CONTENT:** in accordance with the tasks conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, the Court presents to the European Parliament and to the Council, in the context of the discharge procedure, a Statement of Assurance as to the reliability of the annual accounts of each institution, body or agency of the EU, and the legality and regularity of the transactions underlying them, on the basis of an independent external audit.

This audit concerned, amongst others, the annual accounts of the European Centre for the Development of Vocational Training (CEDEFOP).

In the Court's opinion, the **Centre's Annual Accounts fairly present, in all material respects, its financial position as of 31 December 2011** and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation.

The Court also considers that the **transactions underlying the annual accounts** of the Centre for the financial year ended 31 December 2011 are, in all material respects, **legal and regular**.

The report confirms that the Centre's 2011 budget amounted to EUR 18.83 million. The number of staff employed by the Centre at the end of the year was 125.

The report also makes a series of observations on the budgetary and financial management of the Centre, accompanied by the latter's response. The main observations may be summarised as follows:

## **Court's comments:**

- carry-overs: the Court notes that the excessive level of carry-overs is at odds with the budgetary principle of annuality. A significant number of budgetary transfers was made which were mostly concentrated at the year end. The justification for these budgetary transfers was insufficient, as no estimate of needs was made. This situation indicates weaknesses in budget planning and programming and is at odds with the principle of specification;
- grants: annually, the Centre's financing of grants for vocational education and training (VET) amounts to about EUR 1 million. There were significant delays in the closing of grants for the year 2010, because beneficiaries submitted their final reports on activities late.

## **Centre's replies:**

- the Centre states that over 57% of the Title II budget was committed by June 2011. By nature some projects often last more than one year and for operational reasons commitments have to be done during the last quarter of the year. Over 75 % of the value of the automatic carryovers in Title II were completed and invoiced during the first quarter of 2012. The Centre has developed a comprehensive process to monitor budget implementation and will continue its efforts to lower the percentage of automatic carryovers in Title II ;
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on grants, the 2011 delay in payment of grants was a mistake and management has already taken all necessary steps to avoid its recurrence.

Lastly, the Court of Auditors' report contains a summary of the **Centre's activities in 2011**. This is focused on the following:

- analysing and reporting on policy developments: the Centre developed a new approach to: (i) take stock every year of policy developments in countries since 2010; (ii) prepare a comprehensive policy report on progress towards strategic policy objectives in 2014;
- implementation of the European network on VET - to collect systematic information on VET systems and policy developments;
- supporting development and implementation of common European tools: the Centre coordinated the EQF (European Qualifications Framework) Advisory Group jointly with the European Commission (DG EAC);
- analysis of “referencing reports” by 14 countries;
- the Europass website – managed by the Centre - has been increasingly used by Europe's citizens. Since its launch, 16.6 million CVs have been generated on- line (2011: 5.8 million). To stimulate greater coherence between the European tools the Centre organised a joint workshop in the European Parliament and a Conference with the social partners on their role in implementing EU tools;
- a conference was held on comparing methods for forecasting skill needs. An international seminar on skills anticipation and matching brought together main international and national players in the field;
- an update of the European inventory on validation in 32 countries was completed;
- organisational impact: key-indicators show high organisational impact: citations in 105 EU policy documents, 16 EU-level mandates; direct contributions to 13 EU policy documents.