2011 discharge: European Training Foundation (ETF)

2012/2192(DEC) - 18/09/2012 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Training Foundation (ETF) for the financial year 2011, together with the Foundation'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 Training Foundation (ETF).

In the Court's opinion, the **Foundation'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 Foundation for the financial year ended 31 December 2011 are, in all material respects, **legal and regular**.

The report confirms that the Foundation's 2010 budget amounted to EUR 20.3 million, and that the number of staff employed by the Foundation at the end of the year was 125.

Court's observations:

- treasury: the Foundation has not yet adopted and implemented a treasury policy to minimise and spread financial risk while aiming at adequate returns. The account is kept in a bank which no longer has the minimum rating as indicated by the Commission;
- public procurement: the Court identified 64 contracts with a total value of EUR 2 million which were not countersigned by the Foundation's contractor, creating legal uncertainty;
- recruitment: the Foundation needs to further improve the transparency of its recruitment procedures.

Foundation's replies:

- it states that it will put in place a treasury policy including the monitoring of bank credit ratings, in view of spreading financial risk and ensuring an adequate return on cash holdings;
- the ETF has brought its practice in this case into line with that of all its other framework contracts, under which all purchase orders are countersigned by the contractor;
- as regards recruitment, the ETF has now adopted a standard threshold of 70 % in all phases of the selection process.

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

- improving human capital development (HCD) in 30 partner countries;
- organisation of a conference to present the results of the first year of the Torino Process (24 partner countries VET policy assessments);
-

- organisation of a corporate conference was on the Institutional Arrangements in the implementation of Qualifications Frameworks;
- supporting the EU policies and project cycle of External Relations instruments for the partner countries;
- capacity building of partner countries;
- policy analysis;
- dissemination and networking;
- responses to direct requests from the European Commission on the management of training in the third countries.