2012 discharge: European Centre for the Development of Vocational Training (Cedefop)

2013/2208(DEC) - 10/09/2013 - 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 2012, 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 2012** and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its financial rules and the accounting rules adopted by the Commission's accounting officer.

The Court also considers that the **transactions underlying the annual accounts** of the Centre for the financial year ended 31 December 2012 are, in all material respects, **legal and regular**.

The report confirms that the resources made available for the Agency in 2012 amounted to EUR 19.22 million.

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:

The Court's comments:

- internal controls: the Centre awards grants on an annual basis to a network of national partners. Grant expenditure in 2012 amounted to nearly EUR 700 000, or 4 % of total operating expenditure. The Centre's ex ante verifications of grants consist of a comprehensive desk-analysis of cost claims submitted by grant beneficiaries, as well as a review of certificates obtained from external auditors which were contracted by the beneficiaries or of certificates from independent public officers. However, the Centre does not usually verify the staff costs claimed by beneficiaries on the basis of original supporting documentation. Related ex post verifications were last carried out in 2009. As a result, ex ante verifications provide only limited assurance;
- budgetary management: budget implementation rates were high at 100 %. While carry-overs of committed appropriations were also high, this mainly resulted from reasons beyond the Centre's control, such as delays in the repair works carried out by the Greek authorities on the Centre's premises;
- recruitment: the Court stresses the issues as regards the recruitment procedure of the Centre's Director.

The Centre's replies:

- internal controls: to address the Court's concerns, as of this year, Cedefop will introduce, in addition to the audit certificates, detailed checks of personnel costs and time sheets for randomly selected cases of the grant payments;
- recruitment: the Centre points out that even though it provides assistance to the pre-selection committee it has no control over the procedure and the decisions of the pre-selection committee or Commission.

Lastly, the Court of Auditors' report contains a summary of the **Centre's activities in 2012**. This is focused on the following:

- policy analysis and reporting: Cedefop's report Trends in VET policy in Europe 2010-12: was published. It provided up-to-date information on VET systems, along with news on initiatives and policy developments in the Member States;
- common European tools, qualifications and learning outcomes: Cedefop coordinated the EQF (European Qualifications Framework) Advisory Group jointly with the European Commission and (co) drafted 23 background papers that informed policy debates;
- Europass website: has been increasingly used by Europe's young people. Since its launch, almost 60 million visits have been recorded (2012: 15 million; and users have generated 25 million CVs online (2012: 8.3 million);
- adult learning and transitions: the study Adult learning in the workplace: skill development to promote innovation in enterprises was issued for a workshop on this issue. To contribute to the European year of active ageing, Cedefop organised a workshop on sustaining employability through learning within DG EAC's conference 'One Step Up in later life';
- skills analysis: Cedefop presented its latest EU skill demand and supply forecast for 2010-2020 in the briefing note Europe's skill challenge;
- organisational impact: key performance indicators show high organisational impact: citations in 169 EU and 68 international policy documents, some drawing substantially on Cedefop's work; contributions to 26 EU policy documents, 158 Presidency and other EU- level events; etc.