2013 discharge: Translation Centre for the Bodies of the European Union (CdT)

2014/2101(DEC) - 16/09/2014 - Court of Auditors: opinion, report

PURPOSE: presentation of the report of the Court of Auditors on the annual accounts of the Translation Centre for the Bodies of the European Union for the financial year 2013, together with the Centre's replies (CdT).

CONTENT: in line with the tasks and objectives conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, it provides in the context of the discharge procedure, both in Parliament and Council, a Statement of Assurance concerning the reliability of the accounts and the legality and regularity of the underlying transactions of each institution, body or agency of the EU, based on an independent external audit.

This audit also focused on the annual accounts of the Centre CdT.

Statement of assurance: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the Centre, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2013;
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Court's opinion, the Centre's annual accounts present fairly, in all material respects, its financial position as at 31 December 2013 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer.

Opinion on the legality and regularity of the transactions underlying the accounts: in the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2013 are legal and regular in all material respects.

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 observations:

- **legality and regularity of the transactions**: the Court noted that in 2008 the Centre concluded 472 framework contracts with translation services providers for a maximum period of four years. In order to obtain better conditions for the new framework contracts to be signed in 2012, the Centre wanted to participate in the Commission's ongoing procurement procedure for translation services. However, no agreement on the contract terms could be reached with the Commission. Instead, the Centre extended its existing framework contracts for one more year. Such an extension is not in compliance with the implementing rules for the Centre's financial regulation;
- **financial management**: cash held by the Centre further increased from EUR 35 million at the end of 2012 to EUR 40 million at the end of 2013. This indicates scope to reduce prices;
- **headquarters**: the Centre became operational in 1994 and has, to date, worked on the basis of correspondence and exchanges with the host Member State. However, there is no comprehensive headquarters agreement between the Centre and the Member State.

The Centre's replies:

- **legality and regularity of the transactions**: the Centre had joined the Commission's call for tenders for this type of translation services in the past. The Centre decided to organise its own call for tenders for this specific type of translation services and to extend existing contracts by one year in order to prepare correctly for this extensive call for tenders. Considering the impact on the Centre in the event that no contracts had been in place on the expiry date of the existing contracts, it was considered justified to prolong the existing contracts;
- **financial management**: the Centre is fully aware that it generated an economic surplus for the second consecutive year, but it must be noted that the 2013 surplus came about as a result of external factors beyond the Centre's control; especially as a result of a higher volume of invoiced pages than forecast, the cancelled salary increase and the pension contribution reimbursed to the Centre. The Centre decreased the 2014 prices considerably in order to reflect not only changes in the cost of products, but also to use up part of the surplus;
- **headquarters**: the works on the headquarters agreement have come into a final phase.

Lastly, the Court of Auditors' report contains a summary of the Centre's activities in 2013. This is focused on the following:

Budget: EUR 52.194 million of which the Union subsidy is 86.3%.

Activities:

- number of pages translated: 804 986 pages against 735 007 the previous year;
- number of pages by languages: in the official EU languages: 800 221 pages; in other languages: 4 765 pages;
- number of pages per client: bodies: 780 310 pages; institutions: 24 676 pages;
- number of pages translated by freelancers: 512 524 pages.