

2013 discharge: European Training Foundation (ETF)

2014/2104(DEC) - 08/07/2014 - 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 2013, 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).

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 Foundation, 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 Foundation'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 Foundation, accompanied by the latter's response. The main observations may be summarised as follows:

The Court's observations:

- **budgetary management:** at the end of 2013, the Foundation had EUR 7.5 million in accounts at a single bank with a low credit rating.

The Foundation's replies:

- **budgetary management:** the Foundation agreed with the Court's finding and confirms its intention to participate in 2014 in a joint procurement procedure for banking services launched by the Commission. The high bank balance at 31 December 2013 is due to the first instalment of the 2014 subvention being paid in advance and funds received for new projects.

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

Budget: EUR 22 million, of which EUR 19.9 million was funded by a Commission subsidy.

Activities:

- improving human capital development (HCD) in 30 partner countries designated by its establishing Regulation and the Governing Board: supporting EU policies and projects, providing policy analyses, disseminating and exchanging information and experience and supporting partner-country capacity building, human capital development;
- expertise in human capital development and its links to employers. This includes expertise in adapting the approaches to human capital development in the EU and its Member States to the context of the partner countries;
- in 2013, the Torino Process, implemented in 27 ETF partner countries as a participatory, evidence-based analysis of vocational education and training (VET) policies and systems, was validated in a corporate conference organised in May with a title ‘Torino Process: Moving Skills Forward’;
- responses to direct requests from the European Commission throughout the year.