2014 discharge: European Training Foundation (ETF)

2015/2173(DEC) - 08/09/2015 - 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 2014, 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 2014, and
- 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 2014 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 2014 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**: the Court noted that cancellations of appropriations carried-over from 2013 were high and that the level of committed appropriations carried over to 2015 was also high;
- **staff remunerations**: the Court also noted that in 2005 new EU Staff Regulations entered into force, including provisions that future remunerations of officials recruited before 1 May 2004 should not be less than under the previous EU Staff Regulations. The Court's audit revealed that this was not complied with and, in the case of 2 of the 96 temporary agents employed at that time, this led to a total underpayment of EUR 14 745 for the period 2005 to 2014.

The Foundation's replies:

- **budgetary management**: the ETF acknowledged the Court's comment on the cancellation of appropriations carried-over from 2013 and stated that these cancellations were mainly due to unexpected delays and unforeseen staff issues. It also acknowledged the comments on the relatively

high level of carry-forward appropriations and stressed that it will continue its longstanding efforts to reduce future carry-forwards;
- **staff remunerations**: the Foundation analysed and informed the Court on additional salary payments related to transitional careers. The amount identified for the ETF is not material and there is indeed no need to adjust the accounts.

Lastly, the Court of Auditors' report contains **a summary of the Foundation's activities in 2014**. This is focused on the following:

Budget: EUR 21.4 million for commitments and payments, of which the EU Contribution amounted to EUR 20.2 million.

Activities:

- **improvement of human capital development in 30 partner countries**: support for projects, providing policy analyses, disseminating and exchanging information and experience and supporting partner-country capacity building;
- **expertise in human capital development and its links to employment**, including expertise in adapting the approaches to human capital development in the EU and its Member States to the context of the partner countries;
- the ETF 2014 Work Programme identifies **19 corporate results** contributing to improving human capital development in neighbouring countries. These impact-oriented results were shaped by the ETF's role in projecting the external dimension of EU skills policies and instruments to support the EU as a global actor;
- the 2014 results advance **three corporate strategic objectives**: (i) reinforcing evidence-based VET (Vocational education and training) policy analysis; (ii) modernising VET systems in a lifelong learning perspective; (iii) increasing the relevance of VET provision.