2015 discharge: Translation Centre for the Bodies of the European Union (CdT)

2016/2168(DEC) - 13/09/2016 - 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 (CdT) for the financial year 2015, 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 translation centre. To recall, the Centre's task is to provide any European Union institutions and bodies which call upon its services with the translation services necessary for their activities.

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 2015, and
- 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 2015 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 2015 are legal and regular in all material respects.

The report of the Court of Auditors at the same time has a series of observations on budget management and financial agency, together with the responses of the latter. The main observations can be summarised as follows:

Observations of the Court:

- **budgetary management**: at the end of 2015 cash and short term deposits held by the Centre amounted to EUR 38.3 million (EUR 44 million at the end of 2014) and its reserves amounted to EUR 34 million (EUR 40.4 million at the end of 2014). This reflects the reduction of prices in 2015. As regards the administrative expenditure, the level of committed appropriations carried over was high at EUR 2 million, i.e. 29 %. These carry-overs mainly concern the refurbishment of additional premises rented in 2015 as well as IT services not yet provided by the end of 2015. The Centre cancelled EUR 5.9 million (12 %) of appropriations available at the end of 2015. These cancellations are related to the overestimation of the cost of external translators.

Responses of the Centre:

- **budgetary management**: the Centre noted that it has taken various steps to reduce its budgetary surpluses. Firstly, the Centre reduced the 2015 price of the translation of documents by 6.8 %, and the fixed part of the price for the translation of trademarks by EUR 1 million. Secondly, in order to avoid excessive budget surpluses in the future, the Centre has introduced an automatic reimbursement of the budget outturn of the previous year to clients, if this amount exceeds EUR 1 million. Based on this new mechanism, the budget surplus of 2014, amounting to EUR 2.6 million, was paid back to clients in 2015. The Centre has implemented a closer monitoring of the evolution of the external translation costs.

Lastly, the Court of Auditor's report contains a summary of **Centre's key figures in 2015**. It is particularly focused on the following activities:

- **Budget**: EUR 49.6 million.
- **Staff**: 218 including officials, temporary and contract staff and seconded national experts.