1996 discharge: European Centre for the Development of Vocational Training ECDVT budget (Thessaloniki)

1997/2079(DEC) - 26/11/1997 - Non-legislative basic document

OBJECTIVE: to establish the financial statements for the European Centre for the Development of Vocational Training (CEDEFOP - Salonika) for the 1996 financial year. CONTENT: the Court starts its report by noting that CEDEFOP is a satellite body of the European Community with the task of promoting vocational training at Community level. CEDEFOP commenced operations in Berlin in 1976 and moved to Salonika in 1995. At management level, the Court of Auditors' report states that appropriations for the financial year 1996 amounted to ECU 14.8 million. Commitments entered into gave rise to ECU 11.4 million in payments and ECU 2.1 million in carry-overs to the financial year 1997, the balance of ECU 1.3 million having been cancelled. At the same time, the Court makes a number of comments on the implementation of the Centre's budget, emphasizing that the Centre had put in place adequate procedures for the separation of duties of authorizing officer, accounting officer and imprest holder, as demanded in the Court's previous report on CEDEFOP (cf. DEC0062). As far as the imprest account was concerned, the Court found that nearly 74% of payments continued to be made prior to approval by the Financial Controller, whereas the Court had specified last year that use of the imprest account was to be limited to ongoing or small expenses. It also deplored the fact that certain appropriations had been transferred between budget lines, although they had dropped in number compared with the previous year (ECU 891,600 in 1996 compared with ECU 922,000 in 1995). As far as the running management of CEDEFOP was concerned, the Court noted that 17 contracts awarded by the centre and five fixed-asset purchase contracts were made without following the tendering procedure but with the Financial Controller's consent. The Court also noted the problem, raised last year, of cash balances. The Court disapproved of this type of management and recommended that the Centre should make quarterly drawings from the Commission on the basis of actual cash needs. Finally, the Court referred to the fund management problems in relation to the Centre's new premises. The main problems related to the type of contract awarded for the construction of the Centre's new buildings in Greece (delays in relation to the initial construction schedule, payment of large advances to the Greek government before work was carried out), to which the Court was unable to obtain replies. There was also continuing legal uncertainty on the question of who should bear the costs of renovating the Centre's premises (Greece or the Communities).