1999 discharge: European Centre for the Development fo vocational Training ECDVT budget

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PURPOSE : to present the Court of Auditor's Report on the financial statements of the European Centre for the Development of Vocational Training (Cedefop-Thessaloniki) for the financial year ended 31 December 1999. CONTENT : the report shows that definitive appropriations for the year amounted to EUR 15,2 million. Of this total, EUR 14,5 million (95%) were committed and EUR 0,7 million (5%) lapsed at 31 December 1999. Carry-over of approximations stood at EUR 3,7 million against EUR 3,9 million the previous year. The report notes in particular that although far less use was made of imprest accounts than in the previous financial year, the centre continued to make significant proportion of its payments (EUR 2,6 million or 23%) through these accounts in 1999. In addition, it stated that the Centre was not able to perform a thorough reconciliation of its applications for refunding of VAT with its accounts. Moreover, recovery orders should have been drawn up at the same time as the refund applications. As far as the building of the Cedefop is concerned, the report states that the Centre disbursed an amount of EUR 1,2 million less than initially foreseen in connection with the construction of its new building due to favourable conditions. It assigned this amount to the development of additional facilities which had not been expressely planned in the agreement with the Greek authorites. Given the scale of this saving in relation to the expenditure initially envisaged for the building (EUR 6,8 million), the Centre should, in the interests of sound management and transparency in respect of the budgetary authority, have informed not only the Parliament but also the Council of its intentions. The report also mentions that an examination of the contracts for informatics projects revealed certain weaknesses: lack of consultation with the informatics departments, lack of clarity as regards objectives and a failure to follow administrative and financial procedures and procedures for invitations to tender. Lastly, with regard to the staff, the Court noted the absence of formal decisions by the Appointing Authority determining the financial entitlements of members of staff. On the other hand, the Cedefop states that: 1) the Budgetary Authority was kept abreast of the additional developments. Cedefop stressed that, while there was nor formal communication, the Centre's representatives fully informed the Council about the additional work in question and the need for such work during the discussion before the Budgets Committee; 2) Cedefop took the view that, in the special circumstances, it was preferable to proceed by direct contracting. The Bureau delivered a positive opinion on the two matters, taking the view that, technically, the additional work could not be separated from the main contract. Moreover, Cedefop pointed out that it is the Centre's financial provisions that have vested in its Managament Board and Bureau the powers normally vested in advisory committees on procurements and contracts; 3) the IT projects should be reviewed throughout the course of their conception because of the rise and the rapid pace of development in the IT field which quickly render the initialassumptions obsolete. Improvements are awaited in their framework in the course of the year 2000. Furthermore, Cedefop announced that as from, which in some cases has led to errors in the management of the projects. Cedefop has announced, however, that it has taken the necessary steps to regularise the files of the staff concerned and too ensure that from the year 2000, reports on staff are made systematically every two years.