2001 discharge: Translation Centre for the bodies of the European Union

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PURPOSE : to present the report on the financial statement of the Translation Centre for the bodies of the European union for the financial year 2001. CONTENT : the Court of Auditors has examined the financial statements of the Translation Centre for the Bodies of the European Union for the financial year ended 31 December 2001. The examination has enabled the Court to obtain reasonable assurance that the annual accounts for the financial year ended 31 December 2001 are reliable and that the underlying transactions, taken as a whole, are legal and regular. The main observations made by the Court are as follows. The report states that the appropriations available totalled EUR 27.2 million, of which EUR 24.8 million were for the financial year and EUR 2.4 million had been carried over from the previous financial year. Commitments in respect of the appropriations for the financial year proper amounted to EUR 16.8 million, which led to payments totalling EUR 15.0 million. The balance of appropriations was either carried over (EUR 1.8 million) or cancelled. The considerable value of the cancellations (EUR 8.1 million) is explained by the fact that the reserve (EUR 3.9 million) was not used. The appropriations carried over from the previous financial year totalled EUR 2.4 million, EUR 2.2 million of which resulted in payments (the balance was cancelled). The Court also highlights that there are other problems concerning the financial management of the Centre. Concerning the purchases of goods and services, the Court recommends that the Centre should improve its system for estimating requirements and for planning the totally of its purchases by going beyond the current framework, which is essentially annual. It could be more formalised and documented, thereby enabling establishes to be compared with actual requirements. Furthermore, the Court takes note of the fact that Centre participates in the Interinstitutional Group for Harmonisation of Purchasing Procedures and in interinstitutional calls for tender, as well as exchanges of information on purchases of everyday goods and services. However, it has made clear that invitations to tender for translations should be improved. The Centre has responded to the main observations made by the Court of Auditors. The replies are as follows. The Centre states that the Luxembourg authorities have expressed on several occasions their intention to deal with this matter, as well as to approve these at and security issues once the financing plan for the permanent seat of the Centre has been established. At its meeting on 14 March 2002, the Management Board established budget heading 'Reserve for potential obligations relating to rental of buildings' in the preliminary draft budget for 2003 to take account of the uncertainty regarding any obligations arising from the premises made available to the Centre. The Management Board will examine progress made with regard to this matter at its next meeting on 24 October 2002. Concerning external translation services, contracts are awarded on the basis of various criteria enabling the most advantageous bid in economic terms to be determined. In applying a value-for-money ratio, the Centre is convinced, through its experience in procuring external translation services, of the importance of the quality factor, which will enable, inter alia,a reduction in revision costs. Because of this, for the last calls for tenders for language services, the quality criteria was revised upwards (a minimum quality score of 60 % now being necessary in order for a bid to be considered of sufficient quality and accepted for the rest of the procedure). For services other than translation services, the authorising authority may however base its decision to award contracts only on the basis of the lowest price. The Centre recognises the importance of absolute clarity in the operational procedures of the evaluation committees. Constant efforts are being made to this end. For services other than translation, the procedures have been clearly established. The committees are always made up of a minimum of three persons, at least one of whom does not belong to the department concerned. The committees are composed according to field of expertise. Thus, even though the decisions of the committees are always taken jointly, the expert's opinion is highlighted in specific areas. Concerning cooperation between the external translation services in the field of quality, an interinstitutional evaluation system project is underway. The difficulty of the texts to be translated is one of the points to be considered, among others, in this project. The cooperation recommended by the Court is already underway within the framework of

the Interinstitutional Committee for the Evaluation of Quality (CIEQ), to whom the documents are sent for an opinion as soon as a quality problem arises in house.