

# 2005 discharge: Translation Centre for the Bodies of the European Union

2006/2160(DEC) - 19/12/2006

This report from the Court of Auditors concerns the annual accounts of the Translation Centre for the bodies of the European Union for the financial year ended 31 December 2005.

The Court is of the opinion that the Centre's accounts for the financial year 2005 are, in all material respects, reliable. The transactions underlying the Centre's annual accounts, taken as a whole, are legal and regular.

The report shows that the appropriations entered in the final budget amount to **EUR 27 963 000** with EUR 23 831 000 committed and EUR 21 681 000 paid. EUR 2 152 000 was carried over to 2006 and EUR 4 132 000 was cancelled. The outstanding commitments carried over from the previous year amount to EUR 1 754 000 with EUR 1 670 000 being paid.

The Court observes that for the financial year 2005, the overall rate of implementation for commitment appropriations was over 90 % and the same was true for payment appropriations. Nevertheless, underutilisation was noted with regard to expenditure on administration (Title II), less than 75 % of the appropriations for which were committed, and 24 % of commitments were carried over. Furthermore, for the same expenditure, more than 50 % of the total commitments carried over from the previous year were cancelled. Such a situation indicates a qualitative weakness in the programming of administrative expenditure.

The appropriations for freelance translators' fees of EUR 7 million, more than a quarter of the budget, are committed in the form of several global commitments. These commitments, as such, are subject to ex ante verification and subsequently give rise to specific commitments to many individual service providers.

However, these specific commitments, for amounts which may not be negligible, are not subject to ex ante verification. In view of the associated risks, these specific commitments should also be subject to ex ante verification.

The Centre is responsible for administering and developing a database (IATE) in conjunction with the EU Institutions, which meet part of the costs. The agreement on the division of costs associated with IATE says nothing about intellectual property rights. This omission must be rectified so that account can be taken of its value in the assets of the Institutions concerned.

In its Annual Report on the Centre for the financial year 2004, the Court made an observation concerning the longstanding conflict between the Commission and the Centre about the Centre's payment of the employer's portion of pension contributions for its staff. The Court reiterates its call for this conflict to be settled as soon as possible.

The Centre responds point by point to the Court's observations and states that the lack of regularity in requests for translation, together with a marked increase in the field of Community trade marks, created a climate of instability throughout 2005, forcing the Centre to postpone a number of projects provided for under Title 2 (operating costs). It will ask the Interinstitutional Committee for Translation and Interpretation to resolve the issue of ownership of the IATE database.

Lastly, at its meeting of 22 March 2006, the Management Board of the Centre adopted an opinion in which it reiterated that it was 'well aware of the importance of settling this matter once and for all and calls on the European Commission to agree, together with the Centre, to an arbitration procedure in order to reach a settlement'. The Centre will keep the Court apprised of any developments in this matter.