Basic information

2003/2259(DEC) DEC - Discharge procedure	Procedure completed
2002 Discharge: European Training Foundation **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	MULDER Jan (ELDR)	10/09/2002

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	PRONK Bartho (PPE-DE)	15/02/2001

Key events

Date	Event	Reference	Summary
15/10/2003	Non-legislative basic document published	N5-0032/2003	Summary
18/12/2003	Committee referral announced in Parliament		
18/03/2004	Vote in committee		
18/03/2004	Committee report tabled for plenary	A5-0212/2004	
20/04/2004	Debate in Parliament		
21/04/2004	Decision by Parliament	T5-0327/2004	Summary
21/04/2004	End of procedure in Parliament		
21/04/2004	Final act published in Official Journal		

Technical information

Procedure reference	2003/2259(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/5/20436

Documentation gateway				
European Parliament				
Document type	**Committee**	**Reference**	**Date**	**Summary**
Committee report tabled for plenary, single reading		A5-0212/2004	18/03/2004	
Text adopted by Parliament, single reading		T5-0327/2004 OJ C 104 30.04.2004, p. 0421-0593 E	21/04/2004	Summary
Council of the EU				
Document type		**Reference**	**Date**	**Summary**
Supplementary non-legislative basic document		06190/2004	09/03/2004	Summary
Other institutions and bodies				
Institution/body	**Document type**	**Reference**	**Date**	**Summary**
CofA	Non-legislative basic document	N5-0032/2003 OJ C 319 30.12.2003, p. 0047-0054	15/10/2003	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Budget 2004/0714 OJ L 330 04.11.2004, p. 0046-0046	Summary

2002 Discharge: European Training Foundation

2003/2259(DEC) - 21/04/2004 - Text adopted by Parliament, single reading

The European Parliament adopted the report by Jan MULDER (ELDR, NL) concerning the granting of discharge to the Director of the European Training Foundation in respect of the implementation of its budget for the financial year 2002. The Parliament records its comments in the accompanying resolution. Concerning the implementation of the budget : Parliament notes the ECA's criticism that the volume of carry-overs of operating appropriations remains high and its observation that the Foundation should improve the monitoring of its programme. It invites the Foundation to further explain its analysis of options offered by the new Financial Regulation, with a view to reducing carry-overs and better complying with the annuality principle. Moreover, Parliament is satisfied with the Foundation's plan to adopt the 24 internal control standards with a view to complying fully with those standards by the end of 2004. It notes that steps have been taken towards establishing an internal audit capability and stresses the importance of cooperation with the Commission's Internal Audit Service. Parliament notes that the Community subsidy to the Foundation is paid in periodic instalments and that there were delays in the payment of instalments resulted in a cash-flow problem. It takes the view that such situations may have adverse effects on the implementation of the work programme. The Commission and the Foundation are asked to improve their coordination and to prevent, by appropriate means, such problems occurring again; invites the Commission to inform its competent committees of the problem and of the measures taken to remedy that situation. As regards the legality and regularity of the underlying transactions, Parliament invites the

Foundation, in cooperation with the Commission, to ensure the proper follow-up to the ECA's observation with regard to checks that should be applied in order to verify that only those former employees of the Foundation who are entitled to the unemployment allowance actually receive it. Parliament notes the Foundation's readiness to take up additional tasks. It reiterates its call to the Commission to use the Foundation's expertise in a wider geographical context than at present and for providing technical assistance to programmes such as Tempus and Erasmus Mundus. Parliament notes the the Summary Joint Progress Report on cooperation between the Foundation and Cedefop with view to preparing the candidate countries' participation in CEDEFOP's activities from the moment enlargement is effective and it invites the ETF, CEDEFOP and the Commission to report to Parliament, once the ten new countries have acceded, on the results of transferring ETF's work in these countries under the responsibility of CEDEFOP. In parallel, the Parliament has made a series of horizontal points on all of the Agencies' discharges which can be summarised as follows: - Internal audit and control measures : Parliament reiterates the position taken in its resolutions 2003 accompanying the discharge given to the Agencies for 2001 as regards the implementation of the new Financial Regulation and invites the Commission and the Agencies to continue their cooperation, in particular in the areas of accounting, internal audit, management and control procedures, so as to ensure that a coherent harmonised framework for the functioning of the Agencies is established. It recallsthat it expressed concern in the discharge resolution for 2001 concerning the lack of controls on the agencies carried out by the internal audit service of the Commission (IAS). Parliament expresses grave concern that such controls do not seem to have been carried out this year. It stresses that it is essential that the Agencies be required to submit to the investigative powers of OLAF under the same conditions as the other institutions. - Financial Management : Parliament invites the Agencies to better explain their analysis and to indicate in particular which of their activities of a multi-annual nature might be financed by such appropriations. The Commission is invited to present its position on such a solution and, should it consider that this solution is not feasible, to outline alternatives allowing for a substantial reduction in carry-overs. - Review of the agencies : the Parliament states that that, prior to any decision to set up an agency, the Commission must make a rigorous analysis of the need for and added value of the functions that the agency will perform, with an eye to the principles of subsidiarity, budgetary rigour and procedural simplification. Like last year, the Commission is called upon to make a general study of activities currently carried out by various Community bodies that might overlap or serve the same goals, and to propose appropriate solutions, including the possible mergers of agencies. Parliament is concerned by the fact that there is an imbalance between administrative and operational expenditure in many Agencies, with administrative expenditure exceeding expenditure for operational purposes. The Commission and the Agencies are called upon to set targets and a timetable to reduce the level of administrative expenditure as a proportion of total expenditure. The Agencies are encouraged to : - improve cooperation between themselves in order to meet their needs in specific areas (for example, software development) and reduce costs, rather than adopt solutions which were initially designed for the purposes of the Commission but which often prove to be too cumbersome and complicated for the Agencies' specific needs; - organise and develop a close working relationship with the competent parliamentary committees; invites its standing committees with competence in the areas of activity of each of the Agencies to co-ordinate their action with the Committees of Budgets and Budgetary Control, with a view to ensuring efficient monitoring of the activity of the Agencies. - New sources of financing : Parliament calls on the Commission and the Agencies to come forward with constructive proposals with regard to further development of new sources of additional financing, which would increase the level of self-financing. It welcomes the financial contributions of some Member States and regions to the agencies located on their area and considers it important for Council and the Commission to demand such contributions, especially when new agencies are set up. - Harmonised operating framework : Parliament recalls its that the multitude of different forms in the existing agencies' structures was thought to be "neither transparent nor comprehensible. Therefore, it has invited the Commission to present appropriate proposals, aimed at creating such a harmonised framework for the agencies, prior to or atleast in parallel with the presentation of the legislative proposals for the new agencies; insists that an interinstitutional agreement spelling out common guidelines is a pre-condition for creating the harmonised framework. - Staff policy : the Parliament considers that the staff policy of the Agencies should comply with the Financial Regulation, the Staff Regulations and the best practice generally followed by the Institutions. The Parliament recalls the principle that the Agencies should as far as possible employ staff on temporary contracts, in order to maintain flexibility and efficiency. In this respect, it is concerned about the serious anomalies detected in connection with the selection procedures of the European Monitoring Centre for Drugs and Drug Addiction and that selection procedures organised by the Agencies should meet the same standards as those organised by the European Personnel Selection Office (EPSO) and that they should not be perceived as a backdoor for easy entry into the European civil service. Lastly, the Commission is invited to make proposals in order to ensure that the Agencies benefit from appropriate support from the EPSO when organising selection procedures and that there is a mechanism in place to validate the outcome of such procedures externally before recruitment takes place.

2002 Discharge: European Training Foundation

2003/2259(DEC) - 15/10/2003 - Non-legislative basic document

PURPOSE : to present the report from the Court of Auditors on the financial statements of the European Training Foundation for the financial year 2002. CONTENT : the Court has examined the financial statements of the European Training Foundation for the financial year ended 31 December 2002. This examination has enabled the Court to obtain reasonable assurance that the annual accounts for the financial year ended 31 December 2002 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 2002 appropriations were committed up to the level of EUR 16,6 million; they were disbursed in payments amounting to EUR 13,2 million. The balance of the appropriations was either carried over (EUR 3,4 million) or cancelled (EUR 0,2 million). The volume of carryovers remains high as regards the operating appropriations where they represent more than 50 % of the year's commitments. The extent of these carryovers shows that the Foundation needs to improve the quality and monitoring of its work programme with the aim of observing the principle of annuality more faithfully. It should be noted that the Foundation has entered into an agreement to set up a support project for small and medium-sized businesses in Albania. In 2002 the Foundation managed EUR 0,5 million under this agreement. This activity is not mentioned in the budget and appears only at balance sheet level. To recall, on the basis of agreements concluded with the Commission, the Foundation manages Phare and Tacis programmes, including technical assistance for the implementation of the Tempus programme. These programmes amount to a sum total of EUR 244,7 million. In 2002, the Foundation made payments of EUR 31 million for these programmes and, on 31 December 2002, the balance of the corresponding bank accounts amounted to EUR 26,5 million. More than 20 of the 123 people employed by the Foundation work full time on these programmes, which are outside the budget. As the Court has pointed out in earlier reports, no data relating to these programmes appear in the budgetary implementation statement, the balance sheet or the budget outturn. Instead, the Foundation presents the relevant financial information in an annex to its financial statements. This way of accounting for them raises the question of whether the principle of budgetary unity is being observed and, on the accounting level, whether such a procedure is compatible with the principle of 'reality over appearance'. Furthermore, it makes the task of auditing the use of these funds more complex. During the financial year, the Commission only paid the Foundation EUR 13,2 million out of the subsidies of EUR 16,8 million entered in the

budget. This situation explains the deficit for the financial year. Certain payment procedures used by the Foundation ought to be revised or amended with a view to reducing the risks associated with them, particularly as regards the transfer of funds to third countries. In addition, every month the Commission sends a list of the former employees of the Foundation who are entitled to the unemployment allowance. None of them has forwarded the monthlycertificate required in order to receive this allowance and the Foundation does not carry out any checks in order to verify their true situation. The following section concerns the European Training Foundation's replies to the criticisms made by the Court: - As regards budget implementation, it states that the high rate of payments (90 % average over the past four years) on carried forward amounts demonstrates that behind commitments there has always been a well-planned activity. The introduction of multiannual payment appropriations, as a result of the new Financial Regulation, will solve this problem. - To comply with the principle of unity of the budget, starting from the year 2003 the Foundation will include Title IV and other earmarked funds in the statement of expenditure and budget implementation table, under headings clearly distinct from those used for the annual subsidy. To comply with the accounting principle of 'reality over appearance' of the new Financial regulation, the Foundation is ready to show the convention funds in its financial statements for the year 2003 as recommended by the Court. In order to ensure that these convention funds will not be double-accounted in the final consolidated accounts of the Commission, the Foundation will need to consult the Commission for the modalities of the presentation. - Concerning the legality and regularity of underlying transactions, the secondment of one temporary agent employed by the Foundation to Cedefop has been the first attempt at mobility and exchange of staff between the two agencies. The agent was selected by Cedefop, following an official procedure for the recruitment of a national expert (END). Accordingly, the Foundation applied the rules for the END's remuneration. However, the Foundation agrees with the Court's observation that the approach taken was not the most appropriate.

2002 Discharge: European Training Foundation

2003/2259(DEC) - 21/04/2004 - Final act

PURPOSE : to grant discharge to the European Training Foundation in respect of the implementation of its budget for the financial year 2002.

LEGISLATIVE ACT : Decision 2004/714/EC of the European Parliament concerning discharge to the Director of the European Training Foundation for the financial year 2002.

CONTENT : with this present Decision, the European Parliament gives discharge to the Director of the European training Foundation, in respect of the implementation of its budget for the financial year 2002.

This Decision is in conformity with the European Parliament’s resolution approved on 21 April 2004 and which is accompanied by a series of which complete the discharge decision (please refer to the summary of the opinion).

2002 Discharge: European Training Foundation

2003/2259(DEC) - 09/03/2004 - Supplementary non-legislative basic document

PURPOSE : Council Recommendation on the implementation of the EU's budget for the European Training Foundation covering the financial year 2002. CONTENT : Noting that the European Court of Auditor's Report gives a positive assessment to the European Training Foundation's annual accounts, the Council recommends that the European Parliament grant a discharge to the Director of the Foundation in respect of the budget's implementation for the financial year 2002. The Council recalls that for the financial year 2001 to 2002, EUR 3.1 million (or 89%) of the EUR 3.5 million has, been carried forward in appropriations. Further, for the financial year 2002-2003, EUR 3.4 million in appropriations has been carried forward with EUR 0.6 million cancelled. In view of this development the Council attaches certain comments on the current situation, attached to its Recommendation. Firstly, the Council stresses the importance of the principle of annuality and asks the Foundation to reduce the volume of the carry-overs of the operating appropriations. Secondly, it invites the Foundation to mention its agreements in the budget as recommended by the Court of Auditors. Thirdly, the Council urges the Foundation to apply the procedures recommended by the Court of Auditors in its previous year's Report in respect to the management of the PHARE and TACIS programmes. Fourthly, the Council invites the Foundation to ensure that double recording of expenditure is not used. Lastly, concerning unemployment allowances to former employees, the Council asks the Foundation to ensure that the appropriate control procedures are in place.