Basic information

2004/2058(DEC) DEC - Discharge procedure	Procedure completed
2003 discharge: European Training Foundation **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	AYALA SENDER Inés (PSE)	26/07/2004
	AYALA SENDER Inés (PSE)	22/09/2004
	SCHLYTER Carl (Verts/ALE)	22/09/2004

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2646	2005-03-08

Key events

Date	Event	Reference	Summary
20/09/2004	Non-legislative basic document published	N6-0210/2004	Summary
10/01/2005	Committee referral announced in Parliament		
16/03/2005	Vote in committee		
16/03/2005	Additional information		Summary
23/03/2005	Committee report tabled for plenary	A6-0074/2005	
12/04/2005	Decision by Parliament	T6-0108/2005	Summary
12/04/2005	Debate in Parliament		
12/04/2005	End of procedure in Parliament		
27/07/2005	Final act published in Official Journal		

Technical information	
Procedure reference	2004/2058(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A6-0074/2005	23/03/2005	
Text adopted by Parliament, single reading		T6-0108/2005 OJ C 033 09.02.2006, p. 0029-0268 E	12/04/2005	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	06853/2005	08/03/2005	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
OS	Non-legislative basic document	N6-0210/2004	20/09/2004	Summary
CofA	Court of Auditors: opinion, report	C324/2004 OJ C 324 30.12.2004, p. 0001	30/12/2004	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2005/0546
OJ L 196 27.07.2005, p. 0113-0113 Summary

2003 discharge: European Training Foundation

2004/2058(DEC) - 20/09/2004 - Non-legislative basic document

PURPOSE : to present the accounts and the balance sheets of the European Training Foundation (ETF) for the financial year 2003.

CONTENT : this report presented by the European Training Foundation presents the expenditure accounts and the activities of the training foundation throughout the year 2003.

The Foundation's budget amounted to EUR 17.2 million which was entirely financed by the Commission.

As regards the staffing policy, the ETF, whose headquarters is based in Torino, had officially 104 posts in the establishment plan of which 99 were occupied. 31 other employees (auxiliaries, national experts, interimaires). The total staff occupied amounted to 130 of which 80 carried out operational tasks, 35 administrative tasks and 15 carrying out mixed tasks.

The main tasks of the ETF are to give assistance to define the needs and priorities for training; to provide information on initiatives and future needs; to finance pilots projects; to implement programmes of the Commission in eligible countries.

More specifically, the ETF support covers a wide range of areas including: initial vocational education; lifelong learning; continuing (adult) training; human resource development in companies;

employment policies; training of unemployed people; poverty alleviation and social inclusion and training to encourage local development.

The ETF established a network of observatories in eligible countries. It equally carried out country sector studies, statistics on education, policy advice to countries.

In parallel, the ETF concluded technical Assistance conventions with Cards, Meda and Tacis for Tempus scheme covering:

- Joint European Projects (JEP): applications received 507; funded 129;

- Structural and Complementary Measures (SCM) applications received 36; funded 12;

- Individual Mobility Grants applications received 1 246; funded 286.

The management of activities of Tempus covers the standard functions of contract management,

desk monitoring and overall support to projects in progress. 1 149 annual grants were issued to run Tempus projects and 255 reports were assessed.

2003 discharge: European Training Foundation

2004/2058(DEC) - 30/12/2004

This report from the Court of Auditors sets out the annual accounts of the European Training Foundation (ETF) for the 2003 financial year.

On the whole, the Court has obtained reasonable assurance that the annual accounts for the year ended 31 December 2003 are reliable and that the underlying transactions are legal and regular.

The final budget appropriations entered for 2003 amount to EUR 17.7 million with EUR 17.5 million committed and EUR 15.5 million paid. EUR 2 million was carried over to 2004 and EUR 200 000 was cancelled.

In its report, the Court highlights that in 2003, the Foundation made payments of EUR 23.1 million on behalf of the Commission for those programmes and, on 31 December 2003, the balance of the relevant bank accounts amounted to 24,2 million euro. About 20 % of the staff employed by the Foundation work full-time on these programmes. As the Court mentioned in previous reports (1999, 2001 and 2002), no data relating to these programmes appear in the budget or in the balance sheet; the Foundation presents the relevant financial information in an annex to its annual accounts. This does not comply with the budgetary principles of unity and accuracy.

The Court also states that, in 2003, the Foundation concluded two agreements with donors (total amount EUR 500 000). These agreements are correctly disclosed in the accounts but the Foundation did not produce a supplementary and amending budget.

Due to payment delays by the Commission, the Foundation was unable to meet its financial commitments. The Foundation had to make in November 2003 a temporary transfer of EUR 1 million from bank accounts dedicated to the Tempus programme to its own bank accounts.

This operation was done without informing either the Governing Board, or the Commission. In accordance with Article 43(1) of the Foundation's financial regulation, the accounting officer is required to validate the systems put in place by the authorising officer on accounting information. This validation did not take place during the financial year.

An analysis of five selection procedures showed that the process for selecting candidates for the interview (pre-selection phase) is not formalised in a transparent way. In many cases the selection criteria are neither laid down before the interview, nor is their use documented in the files.

The European Training Foundation has responded to the Court's observations. It makes clear that at the time the Annual Accounts for 2003 were first drawn up, it was not clear yet under which rules the Tempus conventions had to be reported in the budget and in other financial statements. ETF decided to report about these amounts in detail in an annex, while coming to a clear agreement with the Commission services on the presentation of accounts 2005.

The ETF takes note of the Court's remark. From 2004 onward, any donation will be integrated into an amended budget which will be submitted for approval to the Governing Board and subsequently published.

The ETF states that in January 2004 when the first instalment of ETF 2004 subvention could not be paid to ETF in time, it had again to rely on a temporary transfer out of Tempus funds to overcome an urgent financial shortfall.

Learning from the previous occurrence, ETF formally informed the Commission and the chairman of the Governing Board through a letter dated 16 January 2004. Since that date, an arrangement has been agreed with the Commission to reduce the risk that such situations arise in the future. The Accounting Officer validated the systems with a note in June 2004.

Since April 2004, applications are stored in a computerized database, where the screening of candidates against eligibility criteria is recorded. Eligible candidates are then assessed independently by each of the members of the selection committee, against pre-defined criteria. The shortlist of the candidates to be interviewed is the result of the average score of these independent assessments. Also the performance of interviewed candidates is scored independently by each member of the selection committee, against pre-defined criteria. A more systematic and comprehensive documentation of all steps is kept on file.

2003 discharge: European Training Foundation

2004/2058(DEC) - 12/04/2005 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution drafted by co-rapporteurs Inés AYALA SENDER (PES, ES) and Carl SCHLYTER (Greens/EFA, SE) giving discharge to the Director of the European Training Foundationin respect of the implementation of its budget for the financial year 2003. (Please see the summary of 16/03/05.)

Parliament’s resolution is in two parts: the first concerns the discharge itself and the second part deals with an accompanying resolution on the management and implementation of the budget. The accompanying resolution also carries general points addressed to the Commission and the Agencies.

With regard to the Court of Auditors’ observation regarding the correct presentation in the accounts of the Tempus programme, Parliament expected to be fully informed by the Foundation as to the solution to be applied concerning the way in which such funds are reflected in the Foundation's accounts for 2004.

Parliament welcomed the results of the co-operation between the Foundation and Cedefop, and expected that this would be further developed through the sharing of information and with a view to enhancing the dissemination of good practice. It regretted the absence of an equality plan and expected the Foundation not only to consider equality issues at the stage of recruitment but also to work poactively and on a long-term basis to promote gender equality. Finally, Parliament welcomed the Foundation's communication strategy commitment to informing the general public through debates and other means of communication.

Parliament went on to make some general observations common to all the agencies. The principal points may be summarized as follows:

General points addressed to the Commission and the Agencies: Parliament supported the Commission’s efforts to establish a limited number of models, at least for future ‘regulatory’ agencies. It took the view that the structure of current and future agencies merited in-depth consideration at inter-institutional level. Before the Commission defines the framework conditions for the use of regulatory agencies, an inter-institutional agreement should spell out common guidelines. Parliament invited the Commission to perform by the end of 2005 a cross-cutting analysis of the evaluations carried out on individual Agencies in order to:

- reach conclusions with regard to the coherence of Agency activity with EU policies in general and as regards the synergies existing or to be developed between the agencies and Commission departments and the avoidance of overlapping between them;

- make an assessment of the broader European added value of the Agencies' outputs in their respective area of activity and of the relevance and effectiveness of the Agency model in implementing or contributing to EU policies;

- determine the impact of the Agencies’ actions in terms of the proximity and visibility of the EU to its citizens.

In parallel with this exercise, the Commission should present proposals for changes to be made in the existing Agencies’ Constituent Acts with a view to optimising its relationship with the Agencies. Before any decision is taken to propose the creation of a new agency, the Commission must undertake a strict evaluation of the added value of the function of this agency, bearing in mind existing structures, the principles of subsidiarity, budgetary austerity and the simplification of procedures.

General points addressed to the Agencies:

Parliament wanted to receive from each of the Agencies, the report summarizing information on the audits carried out by the Internal Auditor, the recommendations made and the action taken on these recommendations in accordance with Regulation 2343/2002/EC. Agencies should also make further efforts to apply correctly the staff regulations and rules applicable to other civil servants with regard to their staff. Parliament made some remarks on the imbalance between men and women in high-grade positions in the agencies, and stated that relevant provisions on equal opportunities must be observed.

In response to the relevant observations of the Court of Auditors, the Agencies must comply fully with the budgetary principles as set out in the Financial Regulation, in particular those of unity and budgetary accuracy.

Parliament went on to encourage the Agencies to strengthen their co-operation, thus opening up opportunities for developing synergies, and avoiding duplication of work. Parliament expected to be informed regularly on this issue.

It called on the Agencies to pay special attention to procedures for the award and management of contracts, and to strengthen their internal control procedures. Parliament suggested the setting-up of specialised units entrusted with the task of advising, on the basis of risk analysis, on how best to prepare contract award procedures.

General points addressed to the European Court of Auditors and the Agencies:

Parliament asked Court of Auditors and the Agencies to strengthen their co-operation in order to enhance the procedures and technical tools to improve the sound management of all the budgetary and finance issues. They should do this in order to establish a methodology that prepares the ground for a positive budget discharge from the start of the process.

2003 discharge: European Training Foundation

2004/2058(DEC) - 12/04/2005 - Final act

OBJECTIVE: granting of discharge for implementing the EU's general budget for 2003 – European Training Foundation.

LEGISLATIVE ACT: Decision 2005/546/EC of the European Parliament concerning the discharge for implementing the general budget of the EU for the 2003 financial year – European Training Foundation.

CONTENT: With this Decision, the European Parliament grants discharge to the Director of the European Training Foundation for the implementation of the budget for the 2003 financial year.

This decision is in line with the European Parliament's resolution adopted on 12 April 2005 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 12/04/2005).

2003 discharge: European Training Foundation

2004/2058(DEC) - 08/03/2005 - Supplementary non-legislative basic document

Having examined the revenue and expenditure account for the financial year 2003, the balance sheet of revenue and expenditure at 31 December 2003 of the European Environment Agency and the Court of Auditors' report on the annual accounts of the Agency, the Council recommends that the European Parliament give a discharge to the Executive Director of the Agency in respect of the implementation of the budget for the financial year 2003.

To recall, EUR 3.7 million in appropriations carried forward from the financial year 2002 to the financial year 2003 have been used. EUR 2 million in appropriations have been carried forward from the financial year 2003 to the financial year 2004 and EUR 0.6 million has been cancelled.

Observations in the Court of Auditors' report in relation to the financial year 2003 call for certain comments by the Council, which are annexed to this Recommendation.

The Council welcomes the fact that the Court of Auditors has been able to obtain reasonable assurance that the Agency's annual accounts for the financial year ended 31 December 2003 are reliable and that the underlying transactions, taken as a whole, are legal and regular. However, some observations need to be made.

The Council invites the Agency to take the appropriate measures to improve the implementation of the budget, in respect of the principle of annuality. While noting that the Agency has decided to recruit an accountant to reinforce management of recoveries, the Council invites it to pursue further this effort regarding the management of recoveries, as well as the requirement for regular reconciliation of its seven bank accounts.