Basic information

2005/2106(DEC) DEC - Discharge procedure	Procedure completed
2004 discharge: European Centre for the Development of Vocational Training **Subject** 8.40.08 Agencies and bodies of the EU 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	GUIDONI Umberto (GUE/NGL)	20/04/2005

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	2716	2006-03-14

European Commission

Commission DG	Commissioner
Budget	

Key events

Date	Event	Reference	Summary
28/02/2005	Non-legislative basic document published	N6-0001/2005	Summary
19/01/2006	Committee referral announced in Parliament		
21/03/2006	Vote in committee		Summary
27/03/2006	Committee report tabled for plenary	A6-0094/2006	
26/04/2006	Debate in Parliament		
27/04/2006	Decision by Parliament	T6-0167/2006	Summary

27/04/2006	Results of vote in Parliament		
27/04/2006	End of procedure in Parliament		
06/12/2006	Final act published in Official Journal		

Technical information

Procedure reference	2005/2106(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/28434

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE367.980	03/02/2006	
Amendments tabled in committee		PE370.225	28/02/2006	
Committee report tabled for plenary, single reading		A6-0094/2006	27/03/2006	
Text adopted by Parliament, single reading		T6-0167/2006	27/04/2006	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05972/2006	06/02/2006	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
OS	Non-legislative basic document	N6-0001/2005 OJ C 269 28.10.2005, p. 0029	28/02/2005	Summary
CofA	Court of Auditors: opinion, report	N6-0009/2006 OJ C 332 28.12.2005, p. 0060-0067	07/12/2005	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2006/0820
OJ L 340 06.12.2006, p. 0063-0063 Summary

2004 discharge: European Centre for the Development of Vocational Training

2005/2106(DEC) - 14/03/2006

The Council approved, without discussion, recommendations to the European Parliament on the discharge to be given to the directors of the following Community bodies for execution of the 2004 budget:

- European Agency for Safety and Health at Work
- European Environment Agency
- European Training Foundation
- European Foundation for the Improvement of Living and Working Conditions
- European Maritime Safety Agency
- Eurojust
- European Food Safety Authority
- European Centre for the Development of Vocational Training
- Translation Centre for the Bodies of the European Union
- European Medicines Agency
- European Monitoring Centre on Racism and Xenophobia
- European Monitoring Centre for Drugs and Drugs Addiction
- European Aviation Safety Authority
- European Agency for Reconstruction

(for details of the Council recommendations, please refer to the respective summaries of 6 February 2006).

2004 discharge: European Centre for the Development of Vocational Training

2005/2106(DEC) - 06/02/2006

Having examined the Centre’s revenue and expenditure account and the observations made by the Court of Auditors, the Council recommends the European Parliament to give a discharge to the Director of the Centre in respect of the implementation of the budget for the financial year 2004.

In doing so, the Council confirms that EUR 3.8 million (88 %) of the EUR 4.3 million in appropriations carried forward from the financial year 2003 to the financial year 2004 have been used. In addition, EUR 1.3 million in appropriations have been carried forward from the financial year 2004 to the financial year 2005 and EUR 0.8 million have been cancelled.

In parallel, the Council makes accompanying comments on the discharge which should be followed up. In particular, it:

§ notes that the Court has been able to issue a statement of reasonable assurance on the reliability of the Centre's annual accounts for the financial year ended 31 December 2004. However, it regrets that in respect of the reasonable assurance as to the legality and regularity of the underlying transactions, taken as a whole, the Court has excluded the transactions concerning the awards of contracts;

§ is deeply concerned about the situation regarding the contract award procedures and urges the Centre to make sure that all the tendering specifications are met when it chooses a service provider, in order to guarantee sound management and budgetary discipline as well as to avoid unjustified overspending. Furthermore, it calls strongly on the Centre to apply strictly the competition rules to all the contracts awarded on the basis of negotiated procedures;

§ regrets the fact that the Centre did not submit an amending budget when incurring a loss in 2004, hence contravening the provisions in force, and calls on the Centre to comply with the appropriate procedure each time it has to modify its budget;

§ highlights the inconsistencies in the recruitment procedure and supports the Court's recommendation to adopt a guide on such procedure, to ensure its transparency;

§ asks the Centre to undertake a systematic monitoring of the staff's financial entitlements in order to avoid undue payments.

2004 discharge: European Centre for the Development of Vocational Training

2005/2106(DEC) - 27/04/2006 - Final act

PURPOSE: to grant discharge to the European Centre for the Development of Vocational Training for the financial year 2004.

LEGISLATIVE ACTS: Decisions 2006/820/EC and 2006/821/EC of the European Parliament on the discharge for the implementation of the budget of the European Centre for the Development of Vocational Training for the financial year 2004 and closure of the accounts for the year in question.

PURPOSE: with the present decisions, the European Parliament grants discharge to the Director of the European Centre for the Development of Vocational Training for the implementation of the Centre's budget for the financial year 2004 and approves the closure of its accounts.

This decision is in line with the European Parliament’s resolution adopted on 27 April 2006 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 27/04/2006).

2004 discharge: European Centre for the Development of Vocational Training

2005/2106(DEC) - 07/12/2005 - Court of Auditors: opinion, report

This report from the Court of Auditors concerns the annual account of the European Centre for the Development of Vocational Training for the financial year ended 31 December 2004.

The Court states that the Centre’s accounts for the financial year 2004 are, in all material respects, reliable. Except for the case of one multiple framework contract, the transactions underlying the Centre’s annual accounts, taken as a whole, are legal and regular.

The report shows that the payment appropriations entered in the final budget amount to EUR 16 596 with EUR 16 313 million committed with EUR 12 270 000 paid. EUR 1 317 000 was carried over to 2005 and EUR 836 000 were cancelled.

The Court notes that the Centre’s financial regulation provides that a distinction must be made in the budget between commitment appropriations and payment appropriations, but this was not done in the budget published for the financial year 2004. Nonetheless, during the financial year in question the Centre managed its operating appropriations in accordance with the rules governing differentiated appropriations. This approach enabled it to reduce the volume of carry-overs of appropriations to the following financial year and thus to give a more accurate picture of its assets. For forthcoming financial years the Centre still needs to adapt its budget to the type of appropriations it is managing.

The Centre provides its staff with a canteen on its premises. Separate accounts are kept for the canteen’s purchases and sales. These accounts are not subjected to the controls provided for in the financial regulation, and are also not included in the Centre’s annual accounts. The Centre should rectify this situation.

The revenue and expenditure account for the financial year 2003 showed a loss of EUR 993 310. Pursuant to the provisions of the Centre’s financial regulation, this result should have been entered in an amending budget for the financial year 2004.

As regards the issue of procurement, in the case of one multiple framework contract, the Centre selected as its first choice a service provider whose financial bid (amount: EUR 150 000) did not meet the conditions laid down in the specifications. Compared with the bid of the service provider chosen in second place (amount: EUR 94 500), this choice cost the Centre EUR 55 500 more, or over 50 %. More generally, a considerable number of contracts concluded by the Centre with consultants within the framework of its activity programmes were awarded on the basis of negotiated procedures. The competition rules were not always strictly applied in many of the procedures examined by the Court.

The recruitment files examined revealed inconsistencies in the procedures applied and the documents requested in each case. Such inconsistencies could be avoided by adopting a guide on recruitment procedures designed to ensure that they are transparent. The Court’s examination of the files of individual members of staff also showed that the staff’s financial entitlements are not monitored on a systematic basis. Monitoring would ensure that payments (family allowances, etc.) were no longer made to staff in cases where the grounds for entitlement no longer existed.

The Centre responds points by point to the Court’s observations:

- it will take the measures necessary to ensure that its budget is presented correctly in future;

- the accounts of the canteen are kept separately for all current expenditure and revenue. They are recorded in a cash-book and are subject to controls, notably by the Greek tax authorities as regards VAT. However, the Centre takes good note of the Court’s remark and will explore what possibilities exist to rectify the situation, for example through the use of the imprest Accounts;

- during its work, the Evaluation Committee based itself principally on the cost per day and not on the total cost of the required work, which led to the situation described by the Court. Cedefop will draft instructions for members of evaluation committees to ensure that they take good account of all the elements mentioned in calls for tenders, which will allow their work to be more transparent. In the case of the negotiated procedures, the Centre takes note of the comments made by the Court. The Centre has already put in place an action plan which aims to remedy the shortcomings identified. The

new director took up her duties on 16 October 2005. Since then no more negotiated procedures with less than three candidates have been started and great care has been taken to ensure regularity in the tendering procedures;

- the preparation of a guide on recruitment procedures is one of the objectives for 2005. A periodical review of the entitlements to allowances of Cedefop's staff was introduced in 2005.

2004 discharge: European Centre for the Development of Vocational Training

2005/2106(DEC) - 27/04/2006 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution drafted by Umberto **GUIDONI** (GUE/NGL, IT) and granted discharge to the Director of the European Centre for the Development of Vocational Training for the implementation of the Centre's budget for the financial year 2004. In its accompanying comments, Parliament was pleased to note the significant reduction in carryovers achieved by the Centre in 2004 compared to previous years, allowing the budget implemented by the Centre to reflect more closely the budget approved by the budgetary authority. It was concerned by the irregularities noted by the Court of Auditors in the contract award procedure, and noted the steps taken by the Centre to ensure that such irregularities would not be repeated. Parliament also noted the Court of Auditors' comments on inconsistencies in recruitment procedure, and welcomed the Centre's intention to prepare a guide on recruitment procedures in 2005.

Parliament went on to note the Centre's observation in the comments accompanying the 2004 annual accounts that "not all stages of the modernisation process have been completed". It expected a fuller report accompanying the 2005 accounts. It noted the recommendation of the Governing Board in its opinion on the 2004 accounts that the Centre should ensure full implementation of the internal control standards. It asked the Centre to report on progress in this regard in its report on the 2005 accounts, as well as on progress in establishing a specific internal audit function and in recruiting its own internal auditor.

Parliament also made a series of general remarks on the agencies. As well as spending money properly, agencies should also strive to spend money as efficiently and effectively as possible. The Court of Auditors was asked to consider the possibility of extending its specific annual reports on the agencies to include an examination of performance and achievement of objectives. The following aspects should be taken into account: duplication of work among the agencies must be avoided as much as possible and measures designed to improve transparency and communication with the public must be clarified, along with Community affirmative action measures at all levels of recruitment, training and the assignment of responsibilities.

It noted that Community agencies did not always have a good image or good press and that many of them did not deserve such a negative image. EU citizens should be made aware of this, and Parliament called on the Commission to act accordingly, using whatever means it considers necessary.

Furthermore, the enlargement of the European Union in 2004 had affected the structures and operating arrangements of the Community agencies in many ways, and several of the agencies draw attention to these effects in their activity reports, focusing in particular on the increase in the number of administrators. The Commission needed to assess the problems encountered and recommend the regulatory changes required.

The Commission had made a commitment to harmonising the way in which activity reports concerning its directorates-general were presented. Parliament called for a similar approach to be taken in respect of the activity reports of the Communities" agencies, which differed significantly in terms of content. The Commission should point out to the agencies the information and activity indicators that they must provide.

Finally, Parliament asked the Commission to improve synergies between agencies by making cooperation more effective, avoiding duplication of work and addressing shortcomings, in particular as regards common areas such as training, the implementation of Community policies across the board, the use of the latest management systems and solving problems relating to sound management of the budget.

2004 discharge: European Centre for the Development of Vocational Training

2005/2106(DEC) - 28/02/2005 - Non-legislative basic document

PURPOSE : presentation of the final accounts of the European Centre for the Development for vocational training (ECDVT) for the financial year 2004.

CONTENT : this document published in the Official Journal of the EU sets out a detailed account of the implementation of the 2004 budget, including the revenue and expenditure and the balance sheet for the year concerned.

According to this document, the final budget amounted to EUR 16,6 million (compared to EUR 14,7 million in 2003) including a 97% Community contribution.

As regards the staffing policy, the Centre, which is based in Thessaloniki, officially set out 88 posts in the establishment plan. 81 of these positions are currently occupied with + 56 other staff (auxiliary contracts, seconded national experts, local employees and employment agency staff) totalling 137 assigned to operational, administrative and mixed tasks. Staff expenditure amounted to nearly EUR 8,5 million in 2004.

The Centre's core mandate is to serve the development of vocational training at Community level. In order to achieve this objective, it has the task of compiling and disseminating documentation on vocational training systems.

During 2004, the Centre :

- held 90 conferences and seminars;

- carried out 55 studies and 38 projects;

- participated in the Copenhagen Process, the e-learning Programme, the Leonardo da Vinci Programme and social partners' joint action framework;

- published 62 publications (3 issues of Cedefop info, 3 issues of the European vocational training review;

- circulated 10 293 documents on request, 2 034 electronic newsletter subscriptions and 8 460 subscriptions to Cedefop info;

- maintained and development the 'European Training Village' site, on which over 53 000 people are registered, with virtual communities of 8 000 participants.

The number of participants in the study visits programme amounted to 730.

The total operational expenditure represented nearly EUR 5,2 million. Overall, the Centre showed a negative outturn of EUR – 1,8 million.

The complete version of the final accounts may be found at the following address:

http://www.cedefop.eu.int/current_act.asp