

Basic information	
<b>2006/2153(DEC)</b> DEC - Discharge procedure	Procedure completed
2005 discharge: European Centre for the Development of Vocational Training  <b>Subject</b> 8.70.03.07 Previous discharges	

Key players				
European Parliament	<b>Committee responsible</b>		<b>Rapporteur</b>	<b>Appointed</b>
	<span style="border: 1px solid red; padding: 2px;">CONT</span> Budgetary Control		HERCZOG Edit (PSE)	20/04/2006
	<b>Committee for opinion</b>		<b>Rapporteur for opinion</b>	<b>Appointed</b>
	<span style="border: 1px solid red; padding: 2px;">EMPL</span> Employment and Social Affairs		OOMEN-RUIJTEN Ria (PPE-DE)	22/11/2006
Council of the European Union	<b>Council configuration</b>		<b>Meetings</b>	<b>Date</b>
	Economic and Financial Affairs ECOFIN		2787	2007-02-27
European Commission	<b>Commission DG</b>		<b>Commissioner</b>	
	Budget		KALLAS Siim	

Key events			
Date	Event	Reference	Summary
31/10/2006	Non-legislative basic document published	N6-0021/2006	<a href="#">Summary</a>
29/11/2006	Committee referral announced in Parliament		
26/03/2007	Vote in committee		<a href="#">Summary</a>
30/03/2007	Committee report tabled for plenary	<a href="#">A6-0097/2007</a>	
24/04/2007	Decision by Parliament	<a href="#">T6-0113/2007</a>	<a href="#">Summary</a>
24/04/2007	Results of vote in Parliament		
24/04/2007	Debate in Parliament		

24/04/2007	End of procedure in Parliament		
15/07/2008	Final act published in Official Journal		

Technical information	
Procedure reference	2006/2153(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/42395

Documentation gateway				
<b>European Parliament</b>				
Document type	Committee	Reference	Date	Summary
Committee draft report		<a href="#">PE384.432</a>	09/02/2007	
Committee opinion	<a href="#">EMPL</a>	<a href="#">PE382.563</a>	01/03/2007	
Amendments tabled in committee		<a href="#">PE386.363</a>	08/03/2007	
Committee report tabled for plenary, single reading		<a href="#">A6-0097/2007</a>	30/03/2007	
Text adopted by Parliament, single reading		<a href="#">T6-0113/2007</a>	24/04/2007	<a href="#">Summary</a>
<b>Council of the EU</b>				
Document type	Reference	Date	Summary	
Supplementary non-legislative basic document	<a href="#">05711/2007</a>	07/02/2007	<a href="#">Summary</a>	
<b>Other institutions and bodies</b>				
Institution/body	Document type	Reference	Date	Summary
OS	Non-legislative basic document	<a href="#">N6-0021/2006</a> <a href="#">OJ C 266 31.10.2006, p. 0028-0030</a>	31/10/2006	<a href="#">Summary</a>
CofA	Court of Auditors: opinion, report	<a href="#">N6-0001/2007</a> <a href="#">OJ C 312 19.12.2006, p. 0001</a>	19/12/2006	<a href="#">Summary</a>

Additional information		
Source	Document	Date
European Commission	<a href="#">EUR-Lex</a>	

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## 2005 discharge: European Centre for the Development of Vocational Training

2006/2153(DEC) - 24/04/2007 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution drafted by Edit **HERCZOG** (PSE, HU), and granted the director of the European Centre for the Development of Vocational Training discharge for the implementation of the Centre's budget for the financial year 2005. Parliament then approved closing the accounts of the Centre for the financial year 2005.

The Parliamentary resolution is divided into two parts. The first contained general points, and concerned the majority of EU Agencies requiring individual discharge. The second part contained specific points relating to CEDEFOP.

**General points:** Parliament considers that the ever-growing number of Community Agencies and the activities of certain of them do not seem to form part of an overall policy framework, and that the remits of some Agencies do not always reflect the real needs of the Union. Accordingly, it invites the Commission to define an overall policy framework for the setting up of new Community Agencies and to present a cost-benefit study before the setting up of any new agency, while being careful to avoid any overlap of activities between Agencies or with the remits of other European organisations. Parliament calls on the Court of Auditors to give its opinion on this cost-benefit study before Parliament takes its decision, and it asks the Commission to present every five years a study on the added value of every existing Agency. ; invites all relevant institutions In the case of a negative evaluation of the added value of an Agency, all relevant institutions are asked to take the necessary steps by reformulating the mandate of that Agency or by closing it.

In view of the constantly increasing number of Agencies, Parliament feels that the Directorates-General of the Commission charged with the setting up and monitoring of Agencies must develop a common approach to the Agencies. It also asks the Commission to improve administrative and technical support to the Agencies. Parliament regretted that the negotiations on the draft interinstitutional agreement on the operating framework for the European regulatory agencies have not yet been concluded, and calls on the Commission, in consultation with the Court of Auditors, to do their utmost to ensure that the agreement is brought to a rapid conclusion. Noting that the Commission's budgetary responsibility calls for closer linking of the Agencies to the Commission, Parliament calls on the Commission and the Council to take all necessary steps to give the Commission a blocking minority in the supervisory bodies of the regulatory Agencies by 31 December 2007 and to provide for such a minority from the outset when new Agencies are set up. It invites the Court of Auditors to create an additional chapter in its Annual Report, devoted to all Agencies to be discharged under the Commission's accounts in order to have a much clearer picture of the use of EU funds by Agencies.

Parliament goes on to ask the Commission to come up with a proposal to harmonise the format of the annual reporting by the Agencies and to develop performance indicators which would allow a comparison of their efficiency. The Commission is urged to monitor and direct the management of the Agencies, especially in relation to the proper application of tender procedures, transparency of recruitment procedures, sound financial management and, most importantly, the proper application of the rules concerning the internal control framework.

**Specific points on CEDEFOP:** Parliament invites the Centre to avoid a similar situation as for the financial year 2005 where it had an utilisation rate of 90 % of commitment appropriations and approximately 85 % of payment appropriations. It asks the Centre to fine-tune its programming and improve the monitoring exercise throughout the year. The Centre should also remedy the shortcomings in the accounting software (FIBUS) used by it, and maintain the full application of the principle of the segregation of the duties of authorising officer and accounting officer.

Parliament wants the Centre urgently to carry out a risk analysis, to define the nature and frequency of ex post checks, and to describe the management procedures and internal control systems. It also invites the Centre to formulate the exact mandate of the committee to deal with staff complaints, which should in no case act beyond its powers. Furthermore, Parliament insists that the Centre should apply standard recruitment procedures and is worried about the very high rate of irregularities found by the Court of Auditors in the contracts where out of six, all but one were affected by irregularities.

Lastly, Parliament encourages the Centre to continue its efforts to improve further its communications in order to ensure that the public is better informed about its activities.

## 2005 discharge: European Centre for the Development of Vocational Training

2006/2153(DEC) - 31/10/2006 - 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 2005.

CONTENT: this document published in the Official Journal of the EU sets out a detailed account of the implementation of the 2005 budget, including the revenue and expenditure and the balance sheet for the year concerned.

According to this document, the final budget amounted to **EUR 17.1 million** (compared to EUR 16.6 million in 2004) including a 96% Community contribution.

As regards the staffing policy, the Centre, which is based in Thessalonica, officially set out 91 posts in the establishment plan. 85 of these positions are currently occupied with + other staff (auxiliary contracts, seconded national experts) totalling 123 assigned to operational, administrative and mixed tasks. Staff expenditure amounted to nearly EUR 9.5 million in 2005.

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 2005**, the Centre :

- held 90 conferences and seminars with an average of 24 participants;
- carried out 26 studies and 29 projects (2 of which administrative) plus 20 virtual communities (1 of which administrative);
- participated in Maastricht follow-up, Education and Training 2010 programme, Leonardo da Vinci programme, social partners' joint action framework, Advisory Committee for Vocational Training, Directors- General for Vocational Training, Education and Training 2010 Coordination Group;
- published 60 publications (3 issues of Cedefop info, and 4 issues of the European journal on vocational training;
- circulated 8 582 documents on request, 2 462 subscriptions to the European journal and 7 493 subscriptions to Cedefop info;
- distributed the following electronic publications: 3 160 subscriptions to ETV newsletter; 60 440 registered ETV users; 3 366 490 ETV page views; 7 553 registered members in the virtual communities and 762 participants in the study visits programme.

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

<http://www.cedefop.europa.eu/index.asp?section=2&sub=5&tab=2>

## 2005 discharge: European Centre for the Development of Vocational Training

2006/2153(DEC) - 24/04/2007 - Final act

PURPOSE: to grant discharge to the European Centre for the Development of Vocational Training for the financial year 2005.

LEGISLATIVE ACT: Decision 2008/507/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 2005.

CONTENT: with the present decision, 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 2005.

This decision is in line with the European Parliament's resolution adopted on 24 April 2007 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 24/04/2007).

## 2005 discharge: European Centre for the Development of Vocational Training

2006/2153(DEC) - 27/02/2007

The Council, on the basis of intensive preparatory work, approved a recommendation on the discharge to be given to the Directors of the 16 European Union agencies for implementation of their budget for 2005. The recommendation will be submitted to the European Parliament, in accordance with the budgetary discharge procedure.

The Council makes reference to the **Court of Auditors report on translation expenditure** (see summary of the document annexed to the Commission's discharge procedure [DEC/2006/2070](#) dated 8 February 2007 06162/2007). It adopted the following conclusions:

Firstly, it states that it welcomes the Court's special report on translation expenditure - which amounted to EUR 511 million in 2005 - incurred by three institutions in particular as it covers the period of the accession of 10 new Member States, increasing the number of official and working languages to 21. In this context, it underlines the importance of the translation of documents in a European Union **multilingual environment** with equal treatment of the languages of its Member States.

It emphasises that translation demands are to be met in time and in adequate quality, as an essential part of the legislative process keeping the cost under control as well as having adequate procedures to give priority to essential translations which implies efficient and effective management of translation resources. It regrets, however, that in some cases politically important information which should be translated has been included in non translated annexes of documents.

The Council notes with satisfaction that the Court of Auditors stated that the institutions have generally met translation needs in the EU-15 languages in required quality inter alia by recourse to freelance translators. It regrets that all three institutions have faced structural difficulties in providing a sufficient volume and acceptable quality into the EU-10 languages. It expects the institutions to further enhance the degree of multilingualism as regards the information provided on their websites.

Moreover, the Council regrets the fact that the institutions, with the exception of the Commission for 2002, have not calculated their total costs or the average cost per page translated and invites them to do so from now on and inform the budgetary authority on a regular basis.

It notes with concern the fact that the productivity of the EU translation services is much lower than in the private sector, partly due to more effective use of IT tools in the private sector, although the quality of internal translation is recognised to be higher. It notes the long term action plan by the Council General Secretariat to increase its productivity by reducing the number of "full-time equivalent" in the EU-15 language units.

**Inter-institutional cooperation:** the Council advocates inter-institutional cooperation being reinforced to all institutions in order to improve the efficiency and the procedures and to reduce the costs in the field of translations. It urges the institutions to set up proper forecasting system and improve the system of workload balancing in order to make better use of spare capacity and to avoid unnecessary outsourcing. In 2005, according to the Court, EUR 11 million of freelance translation costs could have been saved by the Commission and by the Parliament by giving the non-urgent documents to be translated for other institutions. It regrets that it was not possible for the institutions to recruit enough translators in EU-10 languages which has resulted in quality and deadline problems in the EU-10 translations and it recommends that sufficient EU-10 translator resources should be ensured by measures increasing awareness and fostering interest in the Community's translation activity in the EU-10 Member States and other Candidate Countries. It recommends that similar measures be taken for Bulgaria and Romania.

The Council emphasises that future measures are to be taken by the institutions to contain the volume translated including control of the size of documents, without prejudice of equal treatment of EU official and working languages taking into account the operational effectiveness, and adoption of a fit-for-purpose approach for authorised texts for translation and encourages the institutions to improve their work planning and comply with the deadlines for requesting translations.

Lastly, the Council requests the institutions to improve the efficiency of the translation process in particular by intensifying the recourse to IT tools, reduction of secretarial support, working methods based on best practices and teleworking. It also invites the Court to examine also the translation expenditure of the other institutions and bodies.

## 2005 discharge: European Centre for the Development of Vocational Training

2006/2153(DEC) - 07/02/2007

Having examined the revenue and expenditure account for the financial year 2005, the balance sheet of revenue and expenditure at 31 December 2005 of the European Centre for the Development of Vocational Training, 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 2005.

In doing so, the Council confirms that EUR 1.1 million (88%) of the EUR 1.3 million in appropriations carried forward from the financial year 2004 to the financial year 2005 have been used. In addition, EUR 1.0 million in appropriations have been carried forward from the financial year 2005 to the financial year 2006 and EUR 1.9 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 2005. 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 organisation and award procedures of contracts;
- notes the efforts undertaken by the Centre to improve its **management**, the Council would like to draw attention to the issues mentioned below;
- regrets that the Centre did not fully respect the competition rules and failed to justify or document the chosen procedures. The Council stresses the fact that this is detrimental to sound management and budgetary discipline. However, the Council takes note of the measures taken by the Centre during the last quarter of 2005 to remedy the shortcomings identified by the Court and it calls strongly on the Centre to continue its efforts to ensure that the contracts award procedures are strictly applied;
- highlights that concerning **budgetary management**, it regrets the under-implementation of the appropriations for operating activities and invites the Centre to improve the programming of its work and to ensure a rigorous monitoring of it, in particular by adopting an activity based-management system as soon as possible;
- underlines the importance of applying the principle of separation of the duties of authorising officer and accounting officer and takes notes of the steps taken by the Centre to correct the weaknesses pointed out by the Court. It calls on the Centre to follow the Court's remarks concerning the need to carry out a risk analysis, to define the nature and frequency of ex post checks and to provide a description of the management procedures and internal control systems;

- it notes with concern that, once again, the Centre did not fully respect the **recruitment procedure**, at the expense of transparency and the quality of the selection. In this respect, the Council recalls the recommendations made in the previous year and expects the Centre to take all the necessary steps to tighten up its recruitment procedures without any further delay;
- expresses its concern regarding the shortcomings of the **accounting software** and calls on the Centre to replace it as soon as possible with the new system proposed by the Commission, with the full support and help of the latter.

## 2005 discharge: European Centre for the Development of Vocational Training

2006/2153(DEC) - 19/12/2006

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 2005.

The Court states that the Centre's accounts for the financial year 2005 are, in all material respects, reliable. Subject to the reservation concerning irregularities in 5 contracts, 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 17 093 000** with zero appropriations being committed. However, EUR 14 381 000 was paid. EUR 1 014 000 was carried over to 2006 and EUR 1 740 000 were cancelled.

The Court notes that the Centre's budget for the financial year 2005 shows a utilisation rate of 90 % of commitment appropriations and approximately 85 % of payment appropriations. However, the appropriations for operating activities were under-utilised (cancellations of 15 % of commitment appropriations, 20 % of payment appropriations and 15 % of appropriations carried over), in particular after the reorganisation of the procedures for awarding contracts. The Centre must fine-tune the programming of its work and ensure that it is monitored more rigorously. In this connection, the Court notes that activity-based management has not been introduced, even though the Centre's financial regulation provides for this form of management with a view to improved performance monitoring.

The Court states that the accounting software (FIBUS) used by the Centre does not allow expired commitments to be blocked and the procedure for the electronic signing of payment orders does not comply with the provisions currently in force. Operations cannot easily be traced within the FIBUS system. The Centre should remedy the shortcomings identified and consider replacing its present accounting software as soon as possible with the new system proposed by the Commission for the Agencies.

Some of the accounting officer's duties are performed by departments for which the authorising officer is responsible. Closure adjustments of around EUR 700 000 were thus made in the accounts on the initiative of the authorising departments, but these departments did not document them. Application of the principle of the segregation of the duties of authorising officer and accounting officer would have prevented such a situation.

The Centre has neither made a risk analysis to date, nor defined the nature and frequency of ex post checks, and there are no descriptions of the management procedures and internal control systems. In 2005, the accounting officer had still not validated the financial information systems.

As regards **staff complaints**, the Centre set up an appeals committee in 2000 to deal with these. In one case, this committee, acting beyond its powers, granted allowances that were not envisaged in the rules in force. In 2005, an important management post was filled via an internal selection procedure when an external procedure would have provided a wider range of candidates. Actually only one candidate participated in the selection and was appointed to the post. Moreover, two of the criteria adopted for the evaluation of applications were not applied strictly enough to ensure the quality of the selection in question. The Court reiterates the observation made in its previous annual report on the need for the Centre to tighten up its recruitment procedures.

The Court examined **six contracts** that were concluded in the financial year 2005. All but one were affected by irregularities. In two of the cases examined, the competition rules had not been observed.

The Court notes that the Centre has set up 17 internet and intranet sites using different types of technology. The management of these sites and the IT systems supporting them is fragmented engendering technical risks and excessive costs.

The Centre responds point by point to the Court's observations and states that it has taken prompt measures to ensure the strict application of the rules governing procurement procedures, and it strictly limited the use of negotiated procedures. Those measures and the weaknesses of the procurement service affected the level of budget execution.

While ensuring the regularity of procedures, the Centre has progressed in improving its planning and will introduce activity based budgeting. The Centre is considering replacing Fibus with the software

proposed by the Commission. Steps have also been taken to reorganise the Finance/Procurement Service and this will also ensure the clearer separation of functions called for by the Court. The Centre is aware that the correct procedure is for the authorising officers (by delegation) to propose the adjustments in question to the accountant. The Centre is working to improve the situation.

The Centre takes note of the remarks of the Court on the issue of recruitment. The appeals committee has been established by the Governing Board as an organ distinct from the director for dealing with complaints to increase objectivity. The Centre considers that it is correct in law and that it is a reasonable use of the power to designate appointing authorities which belongs to every organisation under the staff regulation. In order to foster competition, the Centre has decided end of 2005 to favour the running of internal/interinstitutional and external phases, to increase publicity and to apply EPSO standards for selection. Concerning the two criteria mentioned, the jurisprudence states that it is the responsibility of the jury to appreciate if criteria correspond to the level requested.

Lastly, the Centre has revised and tightened up all procurement and award procedures and taken the necessary measures to adapt the organisation. Checks safeguard that procedures are conducted in a regular way. Specific measures such as suspension of payments and special audits have been taken in regard to former procedures and contracts which have been criticised by the Court or the IAS to contain risks.