Basic information

2006/2163(DEC) DEC - Discharge procedure	Procedure completed
2005 discharge: European Training Foundation **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	HERCZOG Edit (PSE)	20/04/2006

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	OOMEN-RUIJTEN Ria (PPE-DE)	22/11/2006

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2787	2007-02-27

European Commission

Commission DG	Commissioner
Budget	KALLAS Siim

Key events

Date	Event	Reference	Summary
31/10/2006	Non-legislative basic document published	N6-0031/2006	Summary
29/11/2006	Committee referral announced in Parliament		
26/03/2007	Vote in committee		Summary
02/04/2007	Committee report tabled for plenary	A6-0113/2007	
24/04/2007	Decision by Parliament	T6-0122/2007	Summary
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	2006/2163(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/42417

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE384.442	09/02/2007	
Committee opinion	EMPL	PE382.561	01/03/2007	
Amendments tabled in committee		PE386.401	08/03/2007	
Committee report tabled for plenary, single reading		A6-0113/2007	02/04/2007	
Text adopted by Parliament, single reading		T6-0122/2007	24/04/2007	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05711/2007	07/02/2007	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
OS	Non-legislative basic document	N6-0031/2006 OJ C 266 31.10.2006, p. 0040	31/10/2006	Summary
CofA	Court of Auditors: opinion, report	N6-0001/2007 OJ C 312 19.12.2006, p. 0001	19/12/2006	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

2005 discharge: European Training Foundation

2006/2163(DEC) - 24/04/2007 - Final act

PURPOSE: to grant discharge to the European Training Foundation for the financial year 2005.

LEGISLATIVE ACT: Decision 2008/525/EC of the European Parliament on the discharge for the implementation of the budget of the European Training Foundation for the financial year 2005.

CONTENT: with the present decision, the European Parliament grants discharge to the Director of the European Training Foundation for the implementation of the Foundation'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 Training Foundation

2006/2163(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 Training Foundation

2006/2163(DEC) - 31/10/2006 - Non-legislative basic document

PURPOSE: presentation of the final accounts of the European Training Foundation 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 26.3 million** (against 18.5 million in 2004) divided up into EUR 18.5 million funded by a Commission subsidy and EUR 7.45 million funded by other bodies as assigned revenue.

As regards the staffing policy, the Foundation, whose headquarters are based in Turin (Italy) officially set out 104 in the establishment plans. 97 posts are currently occupied with + 22 other posts (auxiliaries, local staff and contract staff) totalling 119 posts assigned to operational, administrative and mixed tasks.

In 2005, staff expenditure amounted to EUR 11.9 million.

The assistance supplied by the Foundation covers a large range of technical fields including: initial vocational training, lifelong learning, continuing (adult) education, human resource development in companies, employment policies, training of unemployed people, poverty alleviation and social inclusion and training to encourage local development.

Support for the Commission: in 2005, 127 new requests for support were received from the Commission. The majority came from the delegations (35 %), followed by AIDCO (21 %), DG EAC (16 %), DG ELARG (9 %) and DG RELEX (7 %). This included 18 analyses of the situation in the ENPI countries. The Commission's rate of satisfaction with the ETF's response was 97 %.

The most frequent applications were those in the field of programming, followed by policies and contributions in the preparation of European Neighbourhood Instruments, the identification of projects and follow-up.

Information and analysis: country sector studies, statistics on education, policy advice to countries.

Innovation and development support projects: as a centre of expertise, the ETF contributes towards the setting up of development projects in order to test innovatory approaches allowing partner countries to carry out reforms of their education and vocational training systems. **Technical assistance to DG EAC for the implementation of the Tempus programme**: assistance Conventions with CARDS, MEDA and Tacis for the Tempus programme: this assistance covers the whole cycle of the project. It includes the selection, management and follow-up of contracts and information and communication, including general administrative support. IT tools such as online applications and report forms have greatly facilitated the administrative management of the various project cycles.

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

http://www.etf.europa.eu

2005 discharge: European Training Foundation

2006/2163(DEC) - 19/12/2006

This report from the Court of Auditors concerns the results of the audit carried out by the Court on the annual accounts of the European Training Foundation for the financial year ended 31 December 2005. The Court states that the Foundation's accounts for the financial year ended 31 December 2005 are, in all material respects, reliable. The transactions underlying the Foundation'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 26 342 000** with EUR 22 378 000 committed and EUR 16 295 000 paid. EUR 9 636 000 was carried over to 2006, and EUR 411 000 cancelled.

In its report the Court states that although the commitment rate for the appropriations for the financial year is high (practically 100 % for the Foundation's own activities), the Foundation's attention is drawn to the high rate (over 40 %) of carry-overs of commitments for operating activities (Title III). A similar situation prevails for the implementation of MEDA and Tempus activities. According to the Court, the Foundation should ensure that it programmes its activities better.

As in previous years, and in infringement of its financial regulation, the Foundation only published a summary of its budget in the Official Journal. The budget nomenclature lacks balance: two items contain amounts that represent nearly 10 % of its budget. Moreover, most of the budget headings for operating expenditure (Title III) are broken down in a detailed manner at item level according to the destination principle. The level of detail is such as to require numerous transfers. Furthermore, a lack of coordination between the financial unit and the operational units leads to additional transfers.

The final accounts have been characterised by delays and difficulties to establish them in compliance with existing rules.

The Court highlights that the Foundation has still not finished introducing its system of internal control. There is no complete description of the systems of internal control or even a formal account of the procedures used. There is no analysis of operational risks and the ex-post checks have still not been set up. Moreover, the accounting officer has not yet validated the accounts information and inventory systems.

Generally speaking, the supervision and control of operations and financial and budgetary reports are inadequate. Given the risks associated with this situation, the Foundation should make it a priority to resolve it.

The Court also notes shortcomings in the field of documentation were found in two staff selection procedures: the rejection of applicants without justification in the files and the lack of information on the criteria used for selecting the candidates in the pre-selection phase.

The Foundation responds point by point to the Court’s observations and states that most of the amount carried forward (i.e. 83%) is related to commitments corresponding to activities completed in 2005 for which requests for payments have not been received in due time.

As far as the Tempus and the MEDA activities are concerned, the rate on carry over is adversely affected since the corresponding conventions are not annual and do not coincide with the financial year.

Following preceding Court’s remarks, the 2006 budget has been published in the Official Journal of the European Union in full detail including the establishment plan. ETF intends to review, within the regulatory requirements, its budget structure at the occasion of the 2007 budget procedure to address some of the identified weaknesses.

For the future, ETF will take appropriate measures to remedy to the situation described by the Court. ETF is aware that the Accounting Officer needs to validate the accounts information and inventory systems. In the meantime, ETF accounting officer will work on the validation of systems on the basis of the methodology used in the Commission.

As regards recruitment, the Foundation highlights that since 2004, ETF has introduced a comprehensive format for the selection board reports which makes information such as individual notes taken by individual panel members — redundant. ETF will study the possibility to give more information on the selection phase.

2005 discharge: European Training Foundation

2006/2163(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 Training Foundation, the Council recommends the European Parliament to give a discharge to the Director of the Foundation in respect of the implementation of the budget for the financial year 2005.

In doing so, the Council confirms that EUR 1.5 million (68%) of the EUR 2.2 million in appropriations carried forward from the financial year 2004 to the financial year 2005 have been used. In addition, EUR 9.9 million in appropriations have been carried forward from the financial year 2005 to the financial year 2006 and EUR 800 000 have been cancelled.

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

- notes the efforts undertaken by the Foundation to improve its management. In order to avoid substantial amounts of **carry-overs** in the future, the Council calls on the Foundation to better programme its operating activities, while noting the specific conditions regarding MEDA and Tempus;
- regrets that the Foundation published only a summary of its 2005 budget in the Official Journal and notes that it has fully **complied with its Financial Regulation** as regards the publication of its 2006 budget. The Council also calls on the Foundation to create an appropriate budget nomenclature and to coordinate better the activities of its financial unit with the operational units;
- calls on the Foundation to comply with existing rules when establishing its final accounts and to respect the deadlines set;
- calls on the Foundation to pay particular attention to its **supervisory and control activities** and to improve its financial and budgetary reports so that it can finally complete the introduction of its internal control system;
- calls on the Foundation to improve its **staff selection procedures**, in particular regarding completeness of documentation and the information given in the pre-selection phase.

2005 discharge: European Training Foundation

2006/2163(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 Training Foundation discharge for the implementation of the Foundation's budget for the financial year 2005. It then approved the closing of the accounts of the Foundation 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 the Agency.

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 concerning the European Training Foundation: Parliament asked the Foundation to ensure its programming better, given that there was a high rate (over 40 %) of carry-overs of commitments for operating activities (Title III), and was particularly concerned as a similar situation prevailed for the implementation of MEDA and Tempus activities. At the same time, Parliament considered the Foundation to be a source of important information and of exchange of experience for the partner countries of the EU and for all EU institutions. However, it criticised the fact that, as in previous years and in infringement of its financial regulation, the Foundation only published a summary of its budget in the Official Journal. It invited the Foundation to present a new budget nomenclature which corresponded better to the Foundation's reality and which could avoid constant transfers, as well as to improve compliance with existing rules for final accounts. It deplored the fact that the Foundation had still not finished introducing its system of internal control and the fact that at the end of 2005 there was no analysis of operational risks and ex post checks. Lastly, the Foundation insisted that the Foundation has to overcome shortcomings in the field of the documentation of staff selection procedures.