

Basic information	
<b>2007/2046(DEC)</b> DEC - Discharge procedure	Procedure completed
2006 discharge: European Centre for the Development of Vocational Training Cedefop  <b>Subject</b> 8.70.03.07 Previous discharges	

Key players				
European Parliament	<b>Committee responsible</b>		<b>Rapporteur</b>	<b>Appointed</b>
	<b>CONT</b> Budgetary Control		MARTIN Hans-Peter (NI)	27/03/2007
	<b>Committee for opinion</b>		<b>Rapporteur for opinion</b>	<b>Appointed</b>
	<b>EMPL</b> Employment and Social Affairs		MADEIRA Jamila (PSE)	17/12/2007
Council of the European Union	<b>Council configuration</b>		<b>Meetings</b>	<b>Date</b>
	Economic and Financial Affairs ECOFIN		2847	2008-02-12
European Commission	<b>Commission DG</b>		<b>Commissioner</b>	
	Budget		KALLAS Siim	

Key events			
Date	Event	Reference	Summary
30/03/2007	Non-legislative basic document published	SEC(2007)1055 	Summary
25/10/2007	Committee referral announced in Parliament		
26/03/2008	Vote in committee		Summary
03/04/2008	Committee report tabled for plenary	A6-0110/2008	
22/04/2008	Decision by Parliament	T6-0144/2008	Summary
22/04/2008	Results of vote in Parliament		
22/04/2008	Debate in Parliament		

22/04/2008	End of procedure in Parliament		
31/03/2009	Final act published in Official Journal		

Technical information	
Procedure reference	2007/2046(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/53855

Documentation gateway				
<b>European Parliament</b>				
Document type	Committee	Reference	Date	Summary
Committee draft report		<a href="#">PE396.688</a>	13/02/2008	
Committee opinion	<a href="#">EMPL</a>	<a href="#">PE400.445</a>	05/03/2008	
Amendments tabled in committee		<a href="#">PE402.801</a>	06/03/2008	
Committee report tabled for plenary, single reading		<a href="#">A6-0110/2008</a>	03/04/2008	
Text adopted by Parliament, single reading		<a href="#">T6-0144/2008</a>	22/04/2008	<a href="#">Summary</a>
<b>Council of the EU</b>				
Document type	Reference	Date	Summary	
Supplementary non-legislative basic document	<a href="#">05843/2008</a>	29/01/2008	<a href="#">Summary</a>	
<b>European Commission</b>				
Document type	Reference	Date	Summary	
Non-legislative basic document	<a href="#">SEC(2007)1055</a> 	30/03/2007	<a href="#">Summary</a>	
<b>Other institutions and bodies</b>				
Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	<a href="#">N6-0004/2008</a> <a href="#">OJ C 309 19.12.2007, p. 0001</a>	15/11/2007	<a href="#">Summary</a>

Additional information		
Source	Document	Date

## Final act

Budget 2009/0201  
OJ L 088 31.03.2009, p. 0109

[Summary](#)

## 2006 discharge: European Centre for the Development of Vocational Training Cedefop

2007/2046(DEC) - 22/04/2008 - Final act

PURPOSE: to grant discharge to the European Centre for the Development of Vocational Training for the financial year 2006.

LEGISLATIVE ACT: Decision 2009/201/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 2006.

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 2006.

This decision is in line with the European Parliament's resolution adopted on 22 April 2008 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 22/04/2008).

## 2006 discharge: European Centre for the Development of Vocational Training Cedefop

2007/2046(DEC) - 30/03/2007 - Non-legislative basic document

PURPOSE: presentation of the final accounts of the European Centre for the Development for vocational training (Cedefop) for the financial year 2006.

CONTENT: this document sets out a detailed account of the implementation of the 2006 budget, including the revenue and expenditure and the balance sheet for the year concerned.

According to this document, the final budget amounted to **EUR 17.6 million** (compared to EUR 17.1 million in 2005) representing a 95% Community contribution.

As regards the staffing policy, the Centre, which is based in Thessaloniki (Greece), officially set out 95 posts in the establishment plan. 81 of these positions are currently occupied with + 42 other staff (contract staff and seconded national experts) totalling 123 assigned to operational, administrative and mixed tasks. Staff expenditure in 2006 amounted to EUR 8.145 million (paid appropriations).

During 2006, the Centre mainly focused on the following information activities:

- Cedefop's report to the ministerial conference in Helsinki, assessing progress in achieving the Copenhagen-Maastricht objectives for the enhancement of European cooperation in vocational education and training (VET). Cedefop prepared the background document for the Helsinki communiqué;
- the 4th research report, focussing on modernisation of VET, was prepared. It comprises research findings on reform, innovation of VET, social cohesion, and skill demand;
- an Agora conference and publication on older workers and lifelong learning provided a comprehensive view on an increasingly important issue. In regard to the identification of skill needs Cedefop concentrated 2006 on methods for the forecasting of skill needs in preparation of a medium term skill needs forecast for all Member States. The European Journal of vocational education (3 issues were published, as in 2005) improved in scientific quality and contributes to the quality of research in VET;
- contribution to clusters and working groups of the EC under the Education and Training 2010 program on learning outcomes and validation of non-formal learning, quality assurance, lifelong guidance, teachers and trainers, the European qualifications framework and the European Credit transfer system. Like Europass, these are examples of European approaches and instruments to create a European area of VET. Europass (Cedefop provides major input and cooperates with EC) is a successful initiative which is used and accepted by a rapidly increasing number of European citizens. By the end of 2006 over a million CV templates had been downloaded and almost one million CVs have been generated on line;
- the Leonardo Da Vinci study visits programme, the cooperation with social partners and sectoral approaches to VET are other examples of Cedefop's contribution to the development of VET in the EU;

Besides continuation of close co-operation with the European Training Foundation in the familiarisation of acceding/candidate countries and beyond, Cedefop has entered into a formal co-operation with the Foundation on living and working conditions to strengthen synergies. A revamped website, increased work with the press and continued activities of documentation (ISO certified) and publication — online and in hard copy — have helped to raise the visibility of Cedefop and awareness of VET issues.

**Some data:** in 2006, the Centre organised:

- 24 conferences and seminars,
- 24 work shops,
- 21 presentations/visits to Cedefop were organised in 2006;
- 43 publications were published,
- the number of registered users of the electronic training village (ETV) increased to 64 828 (60 440 in 2005),
- work proceeded on 36 projects,
- study visits: 844 participants.

The complete version of the final accounts may be found at the following address: <http://www.CEDEFOP.europa.eu/index.asp?section=4&sub=4>

## 2006 discharge: European Centre for the Development of Vocational Training Cedefop

2007/2046(DEC) - 22/04/2008 - Text adopted by Parliament, single reading

The European Parliament adopted, by 631 votes in favour, 19 against and 41 abstentions, a Decision to grant the Director of the European Centre for the Development of Vocational Training discharge in respect of the implementation of its budget for the financial year 2006. The decision to grant discharge also constitutes closure of the accounts of this EU agency.

At the same time, the Parliament adopted by 632 votes in favour, 16 against and 43 abstentions, a Resolution containing the comments which form part of the decision giving discharge. The report had been tabled at the plenary by Hans-Peter **MARTIN** (NI, AT) on behalf of the Committee on Budgetary Control.

As is the case for all EU agencies, the Parliament's Resolution is divided into two parts: part one contains general comments on EU agencies, while part two focuses on the specific case of the Centre.

**1) General comments on the majority of EU agencies:** the Parliament notes that the budgets of the 24 agencies and other satellite bodies audited by the Court of Auditors totalled **more than EUR 1 billion** and that the number of agencies is constantly increasing. The number of agencies subject to the discharge procedure evolved from 8 in 2000 to 20 in 2006. The Parliament concludes, therefore, that the auditing/discharge process has become cumbersome and disproportionate compared to the relative size of the agencies and that, in the future, this type of procedure should be simplified and rationalised for decentralised agencies.

On the basis of the financial analysis, the Parliament is of the following opinion:

- **Fundamental considerations:** given the constantly increasing number of agencies, the Parliament requests that, before the creation of a new agency, the Commission provide clear explanations regarding agency type, objectives of the agency, internal governance structure, products, services, clients and stakeholders of the agency, formal relationship with external actors, budget responsibility, financial planning, and personnel and staffing policy. It also requests that each agency be governed by a yearly performance agreement which should contain the main objectives for the coming year and that the performance of the agencies be regularly audited by the Court of Auditors (and extend the financial analysis of expenditure to also cover administrative efficiency and effectiveness). More generally, the Parliament takes the view that, in the case of agencies, which are continually overestimating their respective budget needs, technical abatement should be made on the basis of vacant posts in order to reduce the assigned revenue for the agencies and therefore also lower administrative costs of the EU. It recalls that it is a serious problem that a number of agencies is criticised for not following rules on public procurement, the Financial Regulation, the Staff Regulations etc., and considers that the principal reason for this is that most regulations and the Financial Regulation are designed for bigger institutions rather than for small agencies. Therefore, it is necessary to seek a rapid solution in order to enhance the effectiveness of the legislation by grouping the administrative functions of various agencies together or by establishing implementing rules which are better adapted to the agencies. The Parliament also calls on the Commission, when drafting the Preliminary Draft Budget, to take into consideration the results of budget implementation by the individual agencies in former years and revise the budget requested by the particular agency accordingly. If the Commission does not undertake this revision, the Parliament invites the competent committee to revise, itself, the budget in question to a realistic level. At the same time, the Parliament recalls that it expects the Commission to present every five years a study on the added value of every existing agency and to not hesitate to close an agency if it is deemed useless by the analysis. Such an assessment is expected as soon as possible given that this type of assessment has yet to be presented. Furthermore, the Parliament insists that recommendations of the Court of Auditors should be promptly implemented and the level of subsidies paid to the agencies should be aligned with their real cash requirements.
- **Presentation of reporting data:** noting that there is no standard approach among the agencies with regard to the presentation of information, the Parliament recalls that it already invited the directors of the agencies to accompany their annual activity report with a declaration of assurance concerning the legality and regularity of operations, similar to the declarations signed by the Directors General of the Commission. The Parliament therefore asks the Commission to amend its standing instructions to the agencies and to produce a harmonised model for

presenting information, including: i) an annual report intended for a general readership on the body's operations, work and achievements; ii) financial statements and a report on implementation of the agency's budget; iii) an activity report of the Directors of the agency (as requested by the Parliament since 2005); iv) a declaration of assurance signed by the body's director.

- **General findings by the Court of Auditors:** the Parliament refers to certain recurring findings by the Court, including the disbursement of subsidies paid by the Commission (not sufficiently justified estimates of the agencies' cash requirements), the non implementation of the ABAC accounting system by some agencies or the accrued charges for untaken leave which are accounted for by some agencies. It calls for rapid measures in these areas as well as improvements to the internal audit procedures of the agencies. The Parliament also calls on the agencies to consider an inter-agency disciplinary board, as some individual agencies have difficulty in setting up their own disciplinary boards due to their size.
- **Draft inter-institutional agreement:** the Parliament recalls the Commission's draft Interinstitutional agreement on the operating framework for the European regulatory agencies (see [ACI/2005/2035](#)), which was intended to create a framework for the creation, structure, operation, evaluation and control of the European regulatory agencies and awaits its adoption as soon as possible. It particularly welcomes the Commission's commitment to bring forward a Communication on the future of the regulatory agencies during the course of 2008.

**2) Specific points concerning the European Centre for the Development of Vocational Training:** the Parliament expresses its satisfaction at the proper implementation of the Centre's budget for the financial year 2006 and for its endeavours to strengthen its internal supervision system. However, it regrets that the Court expressed reservations regarding its statement of assurance of the Centre's accounts, and recalls that last year the Court had expressed reservations concerning certain aspects of the Centre's internal management (see [DEC/2006/2153](#)).

It recalls that, this year, the Court had criticised many factors, concerning:

- a high proportion of appropriations carried over or cancelled, together with a high number of budget transfers;
- the absence of a suitable inventory procedure for identifying, registering and capitalising assets;
- incomplete documentation of internal control processes;
- the absence of a legal basis for the reimbursement of school fees for children of some of the Centre's agents;
- a lack of effective control as to whether documents submitted by job applicants in support of their professional experience offer genuine proof;
- irregularities in procurement procedures.

While welcoming the efforts undertaken in 2006 to improve the internal control environment and implement the audit recommendations, the Parliament awaits vigorous measures on the Centre's behalf to reduce risk to a minimum. It welcomes the 2007 annual management plan, which includes a systematic ex-ante risk management mechanism for the first time.

At the same time, the Parliament notes the creation of a framework for cooperation between the Centre and the European Foundation for the Improvement of Living and Working Conditions with the aim of ensuring the use of available research funding in areas of common interest.

## 2006 discharge: European Centre for the Development of Vocational Training Cedefop

2007/2046(DEC) - 29/01/2008

Based on the observations contained in the revenue and expenditure account for 2006, CEDEFOP's balance sheet of revenue and expenditure at 31 December 2006, the Court of Auditor's report on the Centre's annual accounts for 2006, alongside the Centre's responses to the observations made by the Court, the Council recommends that the European Parliament provide the discharge to the director of the Centre in respect of the implementation of its budget for the financial year 2006.

In doing so, the Council confirms that the appropriations carried over from 2005 to 2006 (EUR 1.1 million) were used up to the agreed limit of EUR 600 000 (83%), that the appropriations carried over from 2006 to 2007 amount to EUR 1.5 million and that EUR 2.8 million was cancelled.

The Council 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 2006. 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 absence of a legal basis for a decision to grant a compensation for non-pecuniary harm not provided for in the staff Regulations. While noting the efforts undertaken by the Centre to improve its management, the Council would like to draw attention to the issues mentioned below:

- **compensation for non-pecuniary harm:** the Council takes note of the fact that the Legal Service of the Commission confirms the legality of the decision of Centre's Appeal Committee. However, it calls on the Centre to implement their rules so as to minimize the level of risk;
- **inventory procedure:** the Council notes with concern the lack of an inventory procedure and calls on the Centre to pursue the efforts undertaken to develop a reliable and exhaustive inventory management system; regarding the deficiencies in the documentation of the main procedure, including the internal control processes, the Council calls on the Centre to remedy it without delay;
- **recruitment:** the Council notes with concern that there are still problems in the recruitment procedure. In this respect, the Council recalls the Recommendations made in 2005 and expects the measures taken by the Centre in 2007 to be effective, in order to avoid unnecessary costs and legal risks;
- **procurement:** the Council regrets the lack of transparency and of information in the procurement procedure. However, the Council takes note of the measures taken by the Centre during 2007 calls strongly on the Centre to continue its efforts to ensure that the contract award procedures are transparent and well documented.

# 2006 discharge: European Centre for the Development of Vocational Training Cedefop

2007/2046(DEC) - 15/11/2007

**PURPOSE:** to present the report by the Court of Auditors on the 2006 accounts of the European Centre for the Development of Vocational Training (Cedefop).

**CONTENT:** the report notes that payment appropriations entered in the Centre's budget for 2006 amounted to EUR 17.563 million, of which EUR 13.475 million were paid (and no commitments under a system of differentiated appropriations). Of this overall sum, an amount of EUR 1.48 million was carried over to 2007 and one of EUR 2.607 million was cancelled.

Analysis of the accounts by the Court: while the Court notes that the Centre's accounts are reliable in all material respects and that the underlying operations are, on the whole, legal and regular, certain observations must be made concerning the recruitment of its personnel (see below).

In terms of operating costs, in 2006 more than 43% of commitments entered into were carried over to the following year and, in regard to operating activities, more than 20% of payment appropriations were cancelled.

The Court noted that a high number of budgetary transfers were made, most of which took place at the end of the year, and that a significant amount was transferred from personnel expenditure to operating expenditure. It is, therefore, clear that there has not been full compliance with the principle of budgetary specificity. At the same time, CEDEFOP has neither defined nor documented an inventory procedure enabling the exhaustive determination and recording of assets. More generally, the documentation of the main procedures, including internal control processes, was incomplete.

In terms of recruitment, the Court notes that the Centre did not correctly verify the professional experience of candidates, as specified in the vacancy notice, during the preselection stage, resulting in certain candidates being rejected after they had received a formal offer of employment.

In addition, in the context of a procurement procedure, tenderers found themselves in a situation lacking total transparency due to the complexity of the system for evaluating offers, as well as the lack of clear and comprehensive information on the award criteria. For a framework contract with a value of EUR 80 000, the Centre did not publish sufficient information concerning the overall market value, neither in the contract notice nor in the tender documents. Moreover, an IT maintenance service contract, signed in December 2003 by an unauthorised person, was being used until the end of 2006.

In its 2005 Statement of Assurance (see [DEC/2006/2153](#)), the Court had already emphasised the absence of a legal basis for a decision of the Centre's Appeal Committee by granting to an agent a compensation for non-pecuniary harm not provided for in the Staff Regulations. The Court of Auditors had contested this decision, arguing that it represented a practice contrary to the status of civil servants. Despite the Court's observation, in 2006 a sum of EUR 3 000 was awarded as compensation to an individual.

The Centre's response: the Centre indicates that it has made further efforts to better plan and control the implementation of its budget. In future, it shall further reinforce the measures taken, enabling improved budget specificity.

In terms of financial documentation, the Centre notes that it developed and documented its inventory management system, clearly defining the responsibilities at stake. This system should be implemented at the end of 2007.

At the same time, regarding recruitment, the Centre tightened controls during the pre-selection stage and before making offers of employment.

Other measures were taken in 2007 to clarify tendering documents, improve information on market volume and a new IT procedure was launched to alleviate the shortcomings of the previous one in this area.

Lastly, concerning the issue of the legality of a decision made by the Centre's appeals committee – a decision contested by the Court – the Centre maintains that such a decision was in accordance with the rules adopted by the Centre's management board, which had requested the opinion of the Legal Service of the European Commission following the Court's ruling in 2005, in order to ensure its legality. The Legal Service of the Commission confirmed the full legality of the appeals committee's decision and this ruling was then passed on to the Court. Following the Court's renewed observation, the Centre notes that it will, once again, consult the College of the Heads of Administration.