Basic information

2007/2053(DEC) DEC - Discharge procedure	Procedure completed
2006 discharge: Translation Centre for the bodies of the European Union CdT **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament	**Committee responsible**	**Rapporteur**	**Appointed**
	CONT Budgetary Control	MARTIN Hans-Peter (NI)	27/03/2007
Council of the European Union	**Council configuration**	**Meetings**	**Date**
	Economic and Financial Affairs ECOFIN	2847	2008-02-12
European Commission	**Commission DG**	**Commissioner**	
	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	A6-0124/2008	
22/04/2008	Decision by Parliament	T6-0145/2008	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	2007/2053(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/53869

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE396.695	13/02/2008	
Amendments tabled in committee		PE402.808	06/03/2008	
Committee report tabled for plenary, single reading		A6-0124/2008	03/04/2008	
Text adopted by Parliament, single reading		T6-0145/2008	22/04/2008	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05843/2008	29/01/2008	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	SEC(2007)1055	30/03/2007	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N6-0004/2008 OJ C 309 19.12.2007, p. 0001	15/11/2007	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2009/0203
OJ L 088 31.03.2009, p. 0118 Summary

2006 discharge: Translation Centre for the bodies of the European Union CdT

2007/2053(DEC) - 29/01/2008

Based on the observations contained in the revenue and expenditure account and the balance sheet of the European Translation Centre for the Bodies of the European Union for the financial year 2006, as well as on the Court of Auditor's report and the Centre's replies to the Court's observations, the Council recommends that the Parliament grant the Director of the Centre discharge in respect of the implementation of the budget for the financial year 2006.

In doing so, the Council confirms that EUR 2 million (96%) of the appropriations carried over from 2005 to 2006 (EUR 2.2 million) was used, that the appropriations carried over from 2006 to 2007 amount to EUR 2.9 million and that a total of EUR 14 million was cancelled.

Recalling that the Court of Auditors was able to obtain reasonable assurance that the Centre's annual accounts were, in all material aspects, reliable, the Council believes that there is a certain number of observations that must be taken into consideration when providing the discharge on the implementation of the 2006 budget, particularly regarding the following points:

- **Budget surpluses:** the Council invites the Centre to improve the method for pricing its translations in order to avoid the increasing accumulation of budget surpluses and to rectify the permanent under utilisation of appropriations. In addition, the Council requests that the Centre fully respect the provisions of the Financial Regulation, by establishing budget commitments before making legal commitments;
- **Recruitment procedure:** the Council is concerned that, in terms of the recruitment procedure for translators, the Centre failed to provide written evidence of the rules applied for the evaluation of the candidates' files. Therefore, it invites the Centre to establish written guidelines to evaluate candidates, in order to rectify this lack of transparency noted by the Court.

2006 discharge: Translation Centre for the bodies of the European Union CdT

2007/2053(DEC) - 22/04/2008 - Final act

PURPOSE: to grant discharge to the Translation Centre for the bodies of the European Union for the financial year 2006.

LEGISLATIVE ACT: Decision 2009/203/EC of the European Parliament on the discharge for the implementation of the budget of the Translation Centre for the bodies of the European Union for the financial year 2006.

CONTENT: with the present decision, the European Parliament grants discharge to the Director of the Translation Centre 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: Translation Centre for the bodies of the European Union CdT

2007/2053(DEC) - 15/11/2007

PURPOSE: presentation of the report by the Court of Auditors on the 2006 annual accounts of the Translation Centre for the Bodies of the European Union.

CONTENT: the report indicates that the appropriations entered in the Centre's budget for the financial year in question are **EUR 40.876 million**, EUR 26.847 million were committed and EUR 23.961 million paid. Of this overall amount, EUR 2.886 million was carried over to 2007 and EUR 14.029 million was cancelled.

The Court notes that the annual accounts are reliable in all material respects and that the underlying transactions of the Centre's accounts, taken as a whole, are legal and regular.

Analysis of the accounts by the Court: in 2006, the Court indicated that the accumulated budget surplus was EUR 16.9 million. In 2005 it was EUR 10.5 million and in 2004 it was EUR 3.5 million. In 2007, the Centre will refund EUR 9.3 million to its clients. This **accumulation of surpluses** shows that the method for pricing its translations is not precise enough. The Court also indicates that in one case (with a value of EUR 320 000), a legal commitment was made prior to the budget commitment, in breach of the Financial Regulation.

Lastly, the Court indicates that the written guidelines necessary for the assessment of candidates did not exist. In the recruitment procedure for translators, the Centre failed to provide written evidence of the rules applied for the evaluation of the candidates' files.

The Centre's replies: the Centre replies to all of the criticisms one by one and indicates that it is aware of the increase of its budget surpluses. To prevent this situation from arising in the future, the Centre indicates that it will do its utmost to improve the method for calculating prices. Moreover, as this method requires an estimate of the foreseen demand for translation, the Centre will encourage its clients to improve their forecasts.

The Centre also indicates that it has adapted its procedure to prevent the absence of a prior budget commitment.

In addition, the Centre will study ways to improve its recruitment procedure to take the Court's remark into account.

2006 discharge: Translation Centre for the bodies of the European Union CdT

2007/2053(DEC) - 22/04/2008 - Text adopted by Parliament, single reading

The European Parliament adopted, by 630 votes in favour, 15 against and 39 abstentions, a Decision to grant the Executive Director of the Translation Centre for the bodies of the European Union 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 39 abstentions, a Resolution containing the comments which form part of the decision giving discharge. The report had been tabled for plenary by Hans-Peter **MARTIN** (NI, AT) on behalf of the Committee on Budgetary Control.

As is the case for all EU agencies, 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. It 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 insists that the Commission, when drafting the Preliminary Draft Budget, 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. It 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 Translation Centre for the bodies of the European Union: the Parliament notes along with the Court that the accumulated budget surplus for 2006 was EUR 16.9 million and that, in 2007, the Centre will refund EUR 9.3 million to its clients. Such an accumulation of surpluses suggests that the Centre's method for pricing its translations is not precise enough.

The Parliament also criticises the Centre's recruitment procedure for translators.

At the same time, the Parliament hopes that a solution will soon be found to the problem of the Centre's premises and to the question of the payment of employers' pension contributions, currently pending before the Court of Justice.

For the rest, the Parliament welcomes the Court's comments in terms of the Centre's internal audit and management.

2006 discharge: Translation Centre for the bodies of the European Union CdT

2007/2053(DEC) - 30/03/2007 - Non-legislative basic document

PURPOSE: presentation of the final accounts of the Translation Centre for the bodies of the European Union 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 40.88 million** (in comparison to EUR 27.9 million in 2005).

As regards the staffing policy, the Centre, which is based in Luxembourg, officially set out 189 posts in its establishment plan. 169 posts are currently occupied and are assigned to operational and administrative duties. Staff expenditure amounted to EUR 13.793 million in 2006.

The Centre's role is to provide the EU bodies, and any other EU institutions and bodies which call upon its services, with the translation services necessary for their activities.

During 2006, the Centre:

- translated 546 735 pages. The number of pages per language: 537 797 in the official languages and 8 938 in other languages;

- translated 531 454 pages for the EU bodies and 15 281 pages for the institutions with 260 301 pages translated freelance.

The complete version of the final accounts may be found at the following address: http://www.cdt.europa.eu/cdt/ewcm.nsf