Basic information

2007/2056(DEC) DEC - Discharge procedure	Procedure completed
2006 discharge: European Training Foundation (ETF) **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

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	MADEIRA Jamila (PSE)	17/12/2007

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	A6-0114/2008	
22/04/2008	Decision by Parliament	T6-0143/2008	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	2007/2056(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/53875

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE396.698	13/02/2008	
Committee opinion	EMPL	PE400.441	05/03/2008	
Amendments tabled in committee		PE402.776	06/03/2008	
Committee report tabled for plenary, single reading		A6-0114/2008	03/04/2008	
Text adopted by Parliament, single reading		T6-0143/2008	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 2009/0199 OJ L 088 31.03.2009, p. 0101 Summary

2006 discharge: European Training Foundation (ETF)

2007/2056(DEC) - 15/11/2007

PURPOSE: to present the report of the Court of Auditors on the 2006 accounts of the European Training Foundation (ETF).

CONTENT: the report notes that the appropriations entered in the Turin Foundation's budget for the financial year in question amount to **EUR 26.484 million**, of which EUR 18.859 million was committed (commitment appropriations in the context of differentiated appropriations) and EUR 18.193 million was paid. Out of this general amount, EUR 5.474 million was carried over to 2007 and EUR 2.826 million was cancelled.

The Court notes that the accounts for the financial year are reliable in all material aspects and that the underlying transactions of the Foundation's accounts are, on the whole, legal and regular.

Analysis of the accounts by the Court: in its report, the Court notes that the appropriations under title III of the budget (operating appropriations) are differentiated. Article 31 of the financial regulation lays down that the budget published in the Official Journal must present commitment appropriations and payment appropriations, as well as a payment schedule when the appropriations are differentiated. In its 2006 budget, the Foundation only published the commitment appropriations. In doing so, it did not comply with the rules on the presentation of the budget.

The Court also notes that, in 2006, the Foundation held 2 multi-annual contracts with the Commission, granted in 2004 in the framework of the MEDA and TEMPUS programmes. The funds generated by these contracts are considered as assigned revenues. The Foundation entered the total contractual amount corresponding to these revenues in its budget instead of the amounts received each year.

The Foundation's response: while accepting the criticism, the Foundation notes that it was obliged to present different budgets with commitment appropriations and payment appropriations. This approach has already been implemented for the 2007 amending budget.

In addition, the Foundation notes that, in future, it will adopt the approach proposed by the Court for the presentation of all financing agreements.

2006 discharge: European Training Foundation (ETF)

2007/2056(DEC) - 22/04/2008 - Text adopted by Parliament, single reading

The European Parliament adopted, by 621 votes in favour, 19 against and 38 abstentions, a Decision to grant the Executive Director of the European Training Foundation 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 626 votes in favour, 18 against and 42 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 Foundation.

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 European Training Foundation: while the Parliament expresses its satisfaction at the proper implementation of the Foundation’s budget for the financial year 2006, it regrets the poor presentation of the Foundation’s accounts. It expresses surprise that the Court's report makes no reference to the fact that the Director's declaration of assurance was made subject to reservations (including in terms of financial management of the Tempus convention or, more generally, the possible reputation of Tempus technical assistance in the Foundation).

At the same time, the Parliament notes that two MEDA and TEMPUS multiannual contracts entered into in 2004 were incorrectly listed in the total revenue amount of the budget. Furthermore, it notes the inclusion in the balance sheet of an "occupational right" valued at EUR 5 million (corresponding to a contribution to the cost of reconstructing a building), and EUR 12 million in bank accounts.

Lastly, the Parliament notes the statement in the Foundation's annual activity report concerning the applicability to agencies of the Staff Regulations and Financial Regulation that:

- by limiting standard recruitment grades, the Staff Regulations do not cater for the recruitment needs of specialist agencies;
- the Financial Regulation is not necessarily appropriate for a small agency such as the Foundation that manages funds from different sources and executes its activities through relatively small transactions in partner countries which may have high levels of corruption.

2006 discharge: European Training Foundation (ETF)

2007/2056(DEC) - 29/01/2008

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

In doing so, the Council confirms that EUR 2.2 million (34%) of the appropriations carried over from 2005 to 2006 (EUR 6.5 million) was used, that the appropriations carried over from 2006 to 2007 amount to EUR 5.5 million and that a total of EUR 2.8 million was cancelled.

Recalling that the Court of Auditors was able to obtain reasonable assurance that the Foundation’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:

- **Financial management:** the Council notes the improvements made by the Foundation to its management compared to previous financial years and encourages it to continue on this path;

- **Presentation of the budget:** the Council calls on the Foundation to fully respect the provisions of the Framework Financial Regulation on the presentation of the budget for the publication of its budget in the Official Journal. It notes that the Foundation is committed to correcting the way in which it enters assigned revenues to be received into the budget concerning multi-annual contracts by following the multi-annual approach proposed by the Court.

2006 discharge: European Training Foundation (ETF)

2007/2056(DEC) - 30/03/2007 - Non-legislative basic document

PURPOSE: presentation of the final accounts of the European Training Foundation 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 26.5 million** (compared to EUR 26.3 million in 2005) divided up into EUR 19.5 million funded by a Commission subsidy and EUR 7 million funded by other bodies as assigned revenue. This sum of EUR 7 million divides up as follows: EUR 0.98 million from the Italian Ministry of foreign affairs; EUR 4.37 million from DG AIDCO (Meda-ETE) and EUR 1.69 million from DG EAC (Tempus).

As regards the staffing policy, the Foundation, whose headquarters are based in Turin (Italy) officially set out 105 in the establishment plans. 94 posts are currently occupied with + 32 other posts (auxiliaries, local staff and contract staff) totalling 126 posts assigned to operational, administrative and mixed tasks. In 2006, staff expenditure amounted to EUR 11.427 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 2006, 97 new requests for support were received from the Commission. The majority came from the delegations (38%), AIDCO (21%), DG EAC (16%) followed by DG ELARG and EAR (7%), DG RELEX (5%). DG EMPL (4%). This included 24 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

2006 discharge: European Training Foundation (ETF)

2007/2056(DEC) - 22/04/2008 - Final act

PURPOSE: to grant discharge to the European Training Foundation for the financial year 2006.

LEGISLATIVE ACT: Decision 2009/199/EC of the European Parliament on the discharge for the implementation of the budget of the European Training Foundation for the financial year 2006.

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 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).