Basic information

2015/2173(DEC) DEC - Discharge procedure	Procedure completed
2014 discharge: European Training Foundation (ETF) **Subject** 8.70.03.04 2014 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	VAUGHAN Derek (S&D)	19/08/2015
	Shadow rapporteur DEUTSCH Tamás (PPE) VISTISEN Anders (ECR) ALI Nedzhmi (ALDE) DE JONG Dennis (GUE/NGL) JÁVOR Benedek (Verts/ALE) VALLI Marco (EFDD) KAPPEL Barbara (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	CASA David (PPE)	09/09/2015

European Commission

Commission DG	Commissioner
Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
23/07/2015	Non-legislative basic document published	COM(2015)0377	Summary
05/10/2015	Committee referral announced in Parliament		

04/04/2016	Vote in committee		
08/04/2016	Committee report tabled for plenary	A8-0116/2016	Summary
27/04/2016	Debate in Parliament		
28/04/2016	Decision by Parliament	T8-0182/2016	Summary
28/04/2016	Results of vote in Parliament		
28/04/2016	End of procedure in Parliament		
14/09/2016	Final act published in Official Journal		

Technical information

Procedure reference	2015/2173(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/04185

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	EMPL	PE571.664	26/01/2016	
Committee draft report		PE569.760	02/02/2016	
Amendments tabled in committee		PE576.953	04/03/2016	
Committee report tabled for plenary, single reading		A8-0116/2016	08/04/2016	Summary
Text adopted by Parliament, single reading		T8-0182/2016	28/04/2016	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05584/2016	27/01/2016	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2015)0377	23/07/2015	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0143/2015 OJ C 409 09.12.2015, p. 0266	08/09/2015	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Budget 2016/1552 OJ L 246 14.09.2016, p. 0324	Summary

2014 discharge: European Training Foundation (ETF)

2015/2173(DEC) - 08/09/2015 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Training Foundation (ETF) for the financial year 2014, together with the Foundation's reply.

CONTENT: in accordance with the tasks conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, the Court presents to the European Parliament and to the Council, in the context of the discharge procedure, a Statement of Assurance as to the reliability of the annual accounts of each institution, body or agency of the EU, and the legality and regularity of the transactions underlying them, on the basis of an independent external audit.

This audit concerned, amongst others, the annual accounts of the European Training Foundation (ETF).

Statement of assurance: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the Foundation, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2014, and
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Court's opinion, the Foundation's annual accounts present fairly, in all material respects, its financial position as at 31 December 2014 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer.

Opinion on the legality and regularity of the transactions underlying the accounts: in the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2014 are legal and regular in all material respects.

The report also makes a series of observations on the budgetary and financial management of the Foundation, accompanied by the latter's response. The main observations may be summarised as follows:

The Court's observations:

- **budgetary management**: the Court noted that cancellations of appropriations carried-over from 2013 were high and that the level of committed appropriations carried over to 2015 was also high;
- **staff remunerations**: the Court also noted that in 2005 new EU Staff Regulations entered into force, including provisions that future remunerations of officials recruited before 1 May 2004 should not be less than under the previous EU Staff Regulations. The Court's audit revealed that this was not complied with and, in the case of 2 of the 96 temporary agents employed at that time, this led to a total underpayment of EUR 14 745 for the period 2005 to 2014.

The Foundation's replies:

- **budgetary management**: the ETF acknowledged the Court's comment on the cancellation of appropriations carried-over from 2013 and stated that these cancellations were mainly due to unexpected delays and unforeseen staff issues. It also acknowledged the comments on the relatively high level of carry-forward appropriations and stressed that it will continue its longstanding efforts to reduce future carry-forwards;
- **staff remunerations**: the Foundation analysed and informed the Court on additional salary payments related to transitional careers. The amount identified for the ETF is not material and there is indeed no need to adjust the accounts.

Lastly, the Court of Auditors' report contains **a summary of the Foundation's activities in 2014**. This is focused on the following:

Budget: EUR 21.4 million for commitments and payments, of which the EU Contribution amounted to EUR 20.2 million.

Activities:

- **improvement of human capital development in 30 partner countries**: support for projects, providing policy analyses, disseminating and exchanging information and experience and supporting partner-country capacity building;
- **expertise in human capital development and its links to employment**, including expertise in adapting the approaches to human capital development in the EU and its Member States to the context of the partner countries;
- the ETF 2014 Work Programme identifies **19 corporate results** contributing to improving human capital development in neighbouring countries. These impact-oriented results were shaped by the ETF's role in projecting the external dimension of EU skills policies and instruments to support the EU as a global actor;
- the 2014 results advance **three corporate strategic objectives**: (i) reinforcing evidence-based VET (Vocational education and training) policy analysis; (ii) modernising VET systems in a lifelong learning perspective; (iii) increasing the relevance of VET provision.

2014 discharge: European Training Foundation (ETF)

2015/2173(DEC) - 08/04/2016 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Derek VAUGHAN (S&D, UK) on discharge in respect of the implementation of the budget of the European Training Foundation (ETF) for the financial year 2014.

The parliamentary committee calls on the European Parliament to grant the Director of the Foundation discharge in respect of the implementation of the agency's budget for the financial year 2014.

Noting that the Court of Auditors issued a statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions for the financial year 2014, Members call on Parliament to approve the closure of the Foundation's accounts. They made, however, a number of recommendations that needed to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on performance, financial management and control of EU agencies:

- **Foundation's financial statements:** Members note the final budget of the European Training Foundation for the financial year 2014 was EUR 20 158 053, representing an increase of 0.07 % compared to 2013 and that the Foundation's entire budget derives from the Union budget.

- **Budget and financial management:** Members note budget monitoring efforts during the financial year 2014 resulted in a high budget implementation rate of 99.90 %.

Members also made a series of observations regarding commitments and carryovers, the prevention and management of conflicts of interest, as well as on contract award, recruitment and internal audit procedures.

Lastly, Members point out that the Foundation operates in a dynamic environment which requires a high level of flexibility in continually updating and adjusting its activities to meet expected results in the **delivery of support to partner countries**. They recall that the 2014 context was marked in particular by ongoing political instability in the southern and eastern Mediterranean and in eastern Europe owing to the crisis in Ukraine. They suggest that full advantage of the work done by the Foundation be taken **in the area of migration and skills**.

2014 discharge: European Training Foundation (ETF)

2015/2173(DEC) - 23/07/2015 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2014, as part of the 2014 discharge procedure.

Analysis of the accounts of the **European Training Foundation (ETF)**.

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2014 as prepared on the basis of the information presented by the institutions, organisations and bodies of the EU, in accordance with Article 148 (2) of the Financial Regulation applicable to the EU's General Budget, including the European Training Foundation (ETF).

The document contains the figures on which the discharge procedure is based.

On this basis, the Financial Controller of the European Commission ensures the certification of the consolidated accounts as declared by the institutions, agencies and bodies of the European Union.

Discharge procedure of the EU agencies: the EU Budget finances a wide range of policies and programmes throughout the EU. In accordance with the priorities set by the European Parliament and the Council in the multi-annual financial framework (MFF), the European Commission carries out specific programmes, activities and projects in the field with the technical support of some specialised agencies.

The consolidated annual accounts of the EU provide information on the activities of the institutions, agencies and other bodies of the EU from a budgetary and accrual accounting perspective.

The consolidated reports on the implementation of the general budget of the EU include the budget implementation of all Institutions. **Agencies do not have a separate budget inside the EU budget**; and they are partially financed by a Commission budget subsidy.

This document sets out how the Agencies spent and implemented their budget in 2014. Each agency is subject to its own discharge procedure.

ETF: in 2014, the tasks and budget of this agency were as follows:

- **description of the Foundation's tasks**: the European Training Foundation, which is located in Turin (IT), was created by Council Regulation (EEC) No 1360/90. Its objective is to contribute to improving human capital development in the following countries: the countries eligible for support under Council Regulation (EC) No 1085/2006 and Regulation No 1638/2006 of the European Parliament and of the Council and subsequent related legal acts. It aims in particular to provide advice on human capital development issues in the partner countries and promote knowledge and analysis of skills needs in national and local labour markets;
- **the Foundation's budget for the financial year 2014**: the Foundation's budget for 2014, as presented in the Commission document on the consolidated annual accounts of the European Union, gives the following figures:

Commitment appropriations:

- **committed** : EUR 23 million;

- **paid** : EUR 22 million;

- **carried over** : 0.

Payment appropriations:

- **committed** : EUR 23 million;

- **paid** : EUR 21 million;

- **carried over** : EUR 2 million.

Also see the final accounts of the Foundation.

2014 discharge: European Training Foundation (ETF)

2015/2173(DEC) - 28/04/2016 - Text adopted by Parliament, single reading

The European Parliament decided to grant discharge to the Director of the European Training Foundation (ETF) in respect of the implementation of the agency's budget for the financial year 2014. The vote on the decision on discharge covers the closure of the accounts (in accordance with Annex V, Article 5 (1)(a) to Parliament's Rules of Procedure.

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that Foundation's annual accounts for the financial year 2014 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 509 votes to 118 with 7 abstentions, a resolution containing a series of recommendations, which form an integral part of the decision on discharge and which add to the general recommendations set out in the resolution on performance, financial management and control of EU agencies:

- **Foundation's financial statements**: Parliament noted the final budget of the European Training Foundation for the financial year 2014 was EUR 20 158 053, representing an increase of 0.07 % compared to 2013 and that the Foundation's entire budget derives from the Union budget.
- **Budget and financial management**: Parliament also noted budget monitoring efforts during the financial year 2014 resulted in a high budget implementation rate of 99.90 %.
- Parliament also made a series of observations regarding commitments and carryovers, the prevention and management of conflicts of interest, as well as on contract award, recruitment and internal audit procedures.
- **Performance effectiveness**: Parliament noted that 2014 was the first year of the Foundation's Mid-term Perspective 2014-2017 and commended the Foundation on its estimated performance effectiveness, at over 97 %, when comparing results planned against those delivered in the three strategic objectives, which were reinforcing evidence-based vocational education and training ("VET") policy analysis, modernising VET systems in a lifelong learning perspective and increasing the relevance of VET provision in respect of the labour market, economic and social cohesion.

Lastly, Parliament pointed out that the Foundation operates in a dynamic environment which requires a high level of flexibility in continually updating and adjusting its activities to meet expected results in the **delivery of support to partner countries**. It recalled that the 2014 context was marked in particular by ongoing political instability in the southern and eastern Mediterranean and in eastern Europe owing to the crisis in Ukraine. It suggested that full advantage of the work done by the Foundation be taken **in the area of migration and skills**.

2014 discharge: European Training Foundation (ETF)

2015/2173(DEC) - 27/01/2016 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2014 and the balance sheet as at 31 December 2014 of the European Training Foundation (ETF), as well as the Court of Auditors' report on the annual accounts of the Foundation for the financial year 2014, accompanied

by the Foundation's replies to the Court's observations, the Council recommended 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 2014.

The Council welcomed the Court's opinion that, in all material respects, the Foundation's annual accounts present fairly its financial position as at 31 December 2014 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of the Foundation's Financial Regulation, and that the underlying transactions for 2014 are legal and regular in all material respects.

Nevertheless, the Council has made some observations which may be summarised as follows:

- **financial programming**: the Council called on the Foundation to improve its financial programming and monitoring of the budget implementation in order to reduce the level of commitments carried over to the next financial year and the amounts cancelled at the end of the following year to the strict minimum, in line with the budgetary principle of annuality;
- **staff remuneration**: the Council noted the Court's observation that the Foundation had not complied with certain of the Staff Regulations' provisions on remuneration and welcomes the Foundation's corrective action.

2014 discharge: European Training Foundation (ETF)

2015/2173(DEC) - 28/04/2016 - Final act

PURPOSE: to grant discharge to the European Training Foundation (ETF) in respect of the Agency’s budget for the financial year 2014.

NON LEGISLATIVE ACT: Decision (EU) 2016/1552 of the European Parliament on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2014.

CONTENT: with the present decision, the European Parliament grants discharge to the Director of the European Training Foundation for the implementation of its budget for the financial year 2014.

This decision is in line with the European Parliament's resolution adopted on 28 April 2016 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 28 April 2016).

Amongst Parliament’s main observations in the resolution accompanying the discharge decision, the latter pointed out that the Foundation operates in a dynamic environment which requires a **high level of flexibility** in continually updating and adjusting its activities to meet expected results in the delivery of support to partner countries (e.g. in the southern and eastern Mediterranean and in eastern Europe owing to the crisis in Ukraine). It suggested that full advantage of the work done by the Foundation be taken in the area of migration and skills.