Basic information

2016/2168(DEC) DEC - Discharge procedure	Procedure completed
2015 discharge: Translation Centre for the Bodies of the European Union (CdT) **Subject** 8.70.03.05 2015 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	AYALA SENDER Inés (S&D)	05/08/2016
	Shadow rapporteur ZDECHOVSKÝ Tomáš (PPE) FITTO Raffaele (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
CULT Culture and Education	The committee decided not to give an opinion.	

European Commission

Commission DG	Commissioner
Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
11/07/2016	Non-legislative basic document published	COM(2016)0475	Summary
04/10/2016	Committee referral announced in Parliament		

22/03/2017	Vote in committee		
27/03/2017	Committee report tabled for plenary	A8-0075/2017	Summary
26/04/2017	Debate in Parliament		
27/04/2017	Decision by Parliament	T8-0158/2017	Summary
27/04/2017	Results of vote in Parliament		
27/04/2017	End of procedure in Parliament		
29/09/2017	Final act published in Official Journal		

Technical information

Procedure reference	2016/2168(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/07465

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE593.877	03/02/2017	
Amendments tabled in committee		PE599.865	06/03/2017	
Committee report tabled for plenary, single reading		A8-0075/2017	27/03/2017	Summary
Text adopted by Parliament, single reading		T8-0158/2017	27/04/2017	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05873/2017	07/02/2017	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2016)0475	11/07/2016	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0108/2016 OJ C 449 01.12.2016, p. 0027	13/09/2016	Summary

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

Final act	
Budget 2017/1639 OJ L 252 29.09.2017, p. 0171	Summary

2015 discharge: Translation Centre for the Bodies of the European Union (CdT)

2016/2168(DEC) - 13/09/2016 - Court of Auditors: opinion, report

PURPOSE: presentation of the report of the Court of Auditors on the annual accounts of the Translation Centre for the Bodies of the European Union (CdT) for the financial year 2015, together with the Centre's replies (CdT).

CONTENT: in line with the tasks and objectives conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, it provides in the context of the discharge procedure, both in Parliament and Council, a Statement of Assurance concerning the reliability of the accounts and the legality and regularity of the underlying transactions of each institution, body or agency of the EU, based on an independent external audit.

This audit also focused on the annual accounts of the translation centre. To recall, the Centre's task is to provide any European Union institutions and bodies which call upon its services with the translation services necessary for their activities.

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 Centre, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2015, and
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Court's opinion, the Centre's annual accounts present fairly, in all material respects, its financial position as at 31 December 2015 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 2015 are legal and regular in all material respects.

The report of the Court of Auditors at the same time has a series of observations on budget management and financial agency, together with the responses of the latter. The main observations can be summarised as follows:

Observations of the Court:

- **budgetary management**: at the end of 2015 cash and short term deposits held by the Centre amounted to EUR 38.3 million (EUR 44 million at the end of 2014) and its reserves amounted to EUR 34 million (EUR 40.4 million at the end of 2014). This reflects the reduction of prices in 2015. As regards the administrative expenditure, the level of committed appropriations carried over was high at EUR 2 million, i.e. 29 %. These carry-overs mainly concern the refurbishment of additional premises rented in 2015 as well as IT services not yet provided by the end of 2015. The Centre cancelled EUR 5.9 million (12 %) of appropriations available at the end of 2015. These cancellations are related to the overestimation of the cost of external translators.

Responses of the Centre:

- **budgetary management**: the Centre noted that it has taken various steps to reduce its budgetary surpluses. Firstly, the Centre reduced the 2015 price of the translation of documents by 6.8 %, and the fixed part of the price for the translation of trademarks by EUR 1 million. Secondly, in order to avoid excessive budget surpluses in the future, the Centre has introduced an automatic reimbursement of the budget outturn of the previous year to clients, if this amount exceeds EUR 1 million. Based on this new mechanism, the budget surplus of 2014, amounting to EUR 2.6 million, was paid back to clients in 2015. The Centre has implemented a closer monitoring of the evolution of the external translation costs.

Lastly, the Court of Auditor's report contains a summary of **Centre's key figures in 2015**. It is particularly focused on the following activities:

- **Budget**: EUR 49.6 million.
- **Staff**: 218 including officials, temporary and contract staff and seconded national experts.

2015 discharge: Translation Centre for the Bodies of the European Union (CdT)

2016/2168(DEC) - 27/03/2017 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Inés AYALA SENDER (S&D, ES) on discharge in respect of the implementation of the budget of the Translation Centre for the Bodies of the European Union (CdT) for the financial year 2015.

The committee called on the European Parliament to grant the Director of the Centre discharge in respect of the implementation of the agency's budget for the financial year 2015.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Centre for the financial year 2015 were reliable and that the underlying transactions were legal and regular, Members called on Parliament to approve the closure of the Centre'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:

- **Centre's financial statements**: Members noted that the final budget of the Centre for the financial year 2015 was EUR 49 585 500, representing a decrease of 11.88 % compared with 2014.
- **Budget and financial management**: Members noted that the 2015 cash and short term deposits held by the Centre decreased from EUR 44 million at the end of 2014 to EUR 38.3 million at the end of 2015. They noted furthermore that the Centre's reserves decreased from EUR 40.4 million in 2014 to EUR 34 million in 2015, reflecting the 2015 reduction of prices.
- **Commitments and carry-overs**: Members noted with concern that, according to the Court's report, the Centre cancelled EUR 5.9 million (12 % of the total budget) of appropriations available at the end of 2015. These cancellations were related to the overestimation of the cost of external translators as well as to the fact that the fulfilment of the establishment plan did not reach the level foreseen in the budget. They noted however that the Centre monitored the evolution of external translation costs more closely and based its budget forecasts for 2016 onwards on up-to-date figures.

Members also made a series of observations regarding internal controls, the prevention and management of conflicts of interests and performances of the Centre.

In this regard, they noted that the Centre conducted its general client satisfaction survey in 2015 and approved an action plan based on the survey conclusions to be implemented over the 2016-2017 period which places a clear focus on **translation quality assurance**.

2015 discharge: Translation Centre for the Bodies of the European Union (CdT)

2016/2168(DEC) - 07/02/2017 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2015 and the balance sheet as at 31 December 2015 of the Translation Centre for the Bodies of the European Union (CdT), as well as the Court of Auditors' report on the annual accounts of the Centre for the financial year 2015, accompanied by the Centre's replies to the Court's comments, the Council recommended the European Parliament to give a discharge to the Director of the Centre in respect of the implementation of the budget for the financial year 2015.

The Council welcomed the Court's opinion that the Centre's annual accounts present fairly its financial position as at 31 December 2015 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of the Centre's Financial Regulation, and that the underlying transactions for 2015 are legal and regular in all material respects.

Nevertheless, it made the following some observations:

- **budgetary surplus**: the Council took noted of the Court's observation that a budgetary surplus was recorded at the end of 2015, albeit lower than in 2014. It, therefore, invited the Centre to continue monitoring its pricing, to use the available scope to reduce prices and to implement the automatic reimbursement of any surplus;
- **financial programming**: the Council regretted the high level of carry-overs of commitment appropriations to 2016. It encouraged the Centre to continue improving its financial programming and monitoring of the budget implementation, in order to reduce the level of commitments carried over to the following financial year to the minimum strictly necessary;
- **cancellation of appropriations**: the Council also regretted the Court's finding indicating an overestimation of the costs of external translators, leading to substantial cancellations of appropriations. It called on the Centre to improve its monitoring and evaluation of the budget for external services.

2015 discharge: Translation Centre for the Bodies of the European Union (CdT)

2016/2168(DEC) - 27/04/2017 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Director of the Translation Centre for the Bodies (CdT) in respect of the implementation of its budget for the financial year 2015.

The vote on the decision on discharge covers the closure of the accounts (in accordance with Annex IV, 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 the Centre's annual accounts for the financial year 2015 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 510 votes to 109 with 11 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.

These recommendations may be summarised as follows:

- **Centre's financial statements**: Parliament noted that the final budget of the Centre for the financial year 2015 was EUR 49 585 500, representing a decrease of 11.88 % compared with 2014.
- **Budget and financial management**: Parliament noted that the 2015 cash and short term deposits held by the Centre decreased from EUR 44 million at the end of 2014 to EUR 38.3 million at the end of 2015. It noted furthermore that the Centre's reserves decreased from EUR 40.4 million in 2014 to EUR 34 million in 2015, reflecting the 2015 reduction of prices.
- **Commitments and carry-overs**: Parliament noted with concern that, according to the Court's report, the Centre cancelled EUR 5.9 million (12 % of the total budget) of appropriations available at the end of 2015. These cancellations were related to the overestimation of the cost of external translators as well as to the fact that the fulfilment of the establishment plan did not reach the level foreseen in the budget. Members noted however that the Centre monitored the evolution of external translation costs more closely and based its budget forecasts for 2016 onwards on up-to-date figures.

Parliament also made a series of observations regarding internal controls, the prevention and management of conflicts of interests and performances of the Centre.

Action plan: Parliament noted that the Centre conducted its general client satisfaction survey in 2015 and approved an action plan based on the survey conclusions to be implemented over the 2016-2017 period which places a clear focus on **translation quality assurance**. The action plan raises awareness of and promotes the Centre as a language service provider.

2015 discharge: Translation Centre for the Bodies of the European Union (CdT)

2016/2168(DEC) - 11/07/2016 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2015, as part of the 2015 discharge procedure.

Analysis of the accounts of the **Translation Centre for the Bodies of the European Union (CdT)**.

CONTENT: the organisational governance of the EU consists of institutions, agencies and other EU bodies whose expenditure is included in the general budget of the Union.

The EU's operational expenditure of these institutions takes different forms, depending on how the money is paid out and managed.

From 2014 onwards, the Commission classifies its expenditure as follows:

- **Direct management**: the budget is implemented directly by the Commission services.
- **Indirect management**: the Commission confers tasks of implementation of the budget to bodies of EU law or national law, **such as the EU agencies**.

- **Shared management**: under this method of budget implementation tasks are delegated to Member States. About 80 % of the expenditure falls under this management mode covering such areas as agricultural spending and structural actions.

This Commission document concerns the EU's consolidated accounts for the year 2015 and details how spending by the EU institutions and bodies was carried out. The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective.

It is the responsibility of the Commission's Accounting Officer to prepare the EU's consolidated annual accounts and ensure that they present fairly, in all material aspects, the financial position, the result of the operations and the cashflows of the EU institutions and bodies, including the Translation Centre for the Bodies of the European Union (CdT), with a view to granting discharge.

Discharge procedure: the final step of a budget lifecycle is the discharge of the budget for a given financial year. It represents the political aspect of the external control of budget implementation and is the decision by which the European Parliament, acting on a Council recommendation, "releases" the Commission (and other EU bodies) from its responsibility for management of a given budget by marking the end of that budget's existence. The European Parliament is the discharge authority within the EU.

The discharge procedure may produce three outcomes: (i) the granting; (ii) postponement or; (iii) the refusal of the discharge.

The final discharge report including specific recommendations to the Commission for action is adopted in plenary by the European Parliament and are subject to an annual follow up report in which the Commission outlines the concrete actions it has taken to implement the recommendations made.

Each agency is subject to its own discharge procedure, including the Translation Centre for the Bodies of the European Union (CdT).

Translation Centre for the Bodies of the European Union: the Centre, which is located in Luxembourg (LU) was established by Council Regulation (EC) No 2965/94 and its role is to provide any European Union Institutions and Bodies, which call upon its services with the translation services necessary for their activities.

As regards Centre’s accounts, these are presented in detail in the document on the consolidated annual accounts of the European Union for 2015:

Commitment appropriations:

- **committed**: EUR 50 million;
- **paid**: EUR 44 million;
- **carried-over**: 0.

Payment appropriations :

- **committed**: EUR 54 million;
- **paid**: EUR 43 million;
- **carried-over**: EUR 5 million.

For further details on expenditure, please refer to the final accounts of the Translation Centre.

2015 discharge: Translation Centre for the Bodies of the European Union (CdT)

2016/2168(DEC) - 27/04/2017 - Final act

PURPOSE: to grant discharge to the Translation Centre for the Bodies of the European Union (CdT) for the financial year 2015.

NON-LEGISLATIVE ACT: Decision (EU) 2017/1639 of the European Parliament on discharge in respect of the implementation of the budget of the Translation Centre for the Bodies of the European Union for the financial year 2015.

CONTENT: with the present decision, the European Parliament grants discharge to the Director of the Centre for the implementation of its budget for the financial year 2015.

This decision is in line with the European Parliament's resolution adopted on 27 April 2017 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 27 April 2017).

Amongst Parliament’s main observations in the resolution accompanying the discharge decision, it noted that the Centre took various steps to reduce its budgetary surpluses which is a recurring issue. Parliament noted the reduction of the document translation price in 2015, the introduction of an automatic reimbursement of the previous year's budget outturn to clients as well as the Centre's draft programming document for the 2017-2019 period, which was prepared with deficits in mind, and the subsequent further reduction of the reserve for stability pricing.