Basic information

2017/2156(DEC) DEC - Discharge procedure	Procedure completed
2016 discharge: European Training Foundation (ETF) **Subject** 8.70.03.06 2016 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	STAES Bart (Verts/ALE)	14/09/2017
	Shadow rapporteur SARVAMAA Petri (PPE) LIBERADZKI Bogusław (S&D) MARIAS Notis (ECR) ALI Nedzhmi (ALDE) DE JONG Dennis (GUE/NGL) VALLI Marco (EFDD) KAPPEL Barbara (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	ROLIN Claude (PPE)	03/10/2017

European Commission

Commission DG	Commissioner
Budget	OETTINGER Günther

Key events

Date	Event	Reference	Summary
26/06/2017	Non-legislative basic document published	COM(2017)0365	Summary
13/09/2017	Committee referral announced in Parliament		

20/03/2018	Vote in committee		
23/03/2018	Committee report tabled for plenary	A8-0080/2018	Summary
18/04/2018	Decision by Parliament	T8-0156/2018	Summary
18/04/2018	Results of vote in Parliament		
18/04/2018	Debate in Parliament		
18/04/2018	End of procedure in Parliament		
03/10/2018	Final act published in Official Journal		

Technical information

Procedure reference	2017/2156(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/10792

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	EMPL	PE612.092	24/01/2018	
Committee draft report		PE613.464	24/01/2018	
Amendments tabled in committee		PE618.262	02/03/2018	
Committee report tabled for plenary, single reading		A8-0080/2018	23/03/2018	Summary
Text adopted by Parliament, single reading		T8-0156/2018	18/04/2018	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05941/2018	09/02/2018	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2017)0365	26/06/2017	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0034/2018 OJ C 417 06.12.2017, p. 0181	12/09/2017	Summary

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

Final act	
Budget 2018/1406 OJ L 248 03.10.2018, p. 0294	Summary

2016 discharge: European Training Foundation (ETF)

2017/2156(DEC) - 03/10/2018 - Final act

PURPOSE: to grant discharge to the European Training Foundation (ETF) in respect of the Agency's budget for the financial year 2016.

NON-LEGISLATIVE ACT: Decision (EU) 2018/1406 of the European Parliament on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2016.

CONTENT: the European Parliament decided to **grant discharge** to the Director of the European Training Foundation for the implementation of its budget for the financial year 2016.

This decision is accompanied by a resolution of the European Parliament containing the observations which form an integral part of the discharge decision in respect of the implementation of the general budget of the European Union for the financial year 2016 (*please refer to the summary dated 18.4.2018*).

In this resolution, Parliament stressed that the **work-life balance** should be part of the staff policy of the Foundation. It regretted that the average number of sick leave per staff is 15 days (11.5 days without medical part-time), which is one of the highest number among the Union agencies. Parliament recommended that this should be examined to establish the reason, particularly whether it is related to **workplace stress**.

Parliament noted that an e-learning and awareness-raising exercise on fraud and conflict of interests for all staff was carried out at the beginning of 2017.

2016 discharge: European Training Foundation (ETF)

2017/2156(DEC) - 23/03/2018 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Bart STAES (Greens/EFA, BE) on discharge in respect of the implementation of the budget of the European Training Foundation (ETF) for the financial year 2016.

The committee called 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 2016.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Foundation for the financial year 2016 were reliable and that the underlying transactions were legal and regular, Members called 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 noted that the final budget of the Foundation for the financial year 2016 was EUR 20 900 849.11, representing a decrease of 0.63 % compared to 2015. The budget of the Foundation derives mainly from the Union budget.
- **Budget and financial management**: budget monitoring efforts during the financial year 2016 resulted in a high **budget implementation rate of 99.99 %,** indicating that commitments were made in a timely manner, and that the payment appropriations execution rate was at 97.66 %.
- **Commitments and carryovers**: the overall carry-overs decreased from 3.3 % in the period 2015 to 2016 to 3.1 % in the period 2016 the 2017, which is an indication of the improved alignment of the Foundations' administrative activities and their payments to its annual cycle.

Members also made a series of observations regarding the prevention and management of conflicts of interests, staff policy and internal audits and transfers.

In 2016, the Foundation took key measures to improve the efficiency of its internal control systems.

On **performance**, Members noted the unsatisfactory situation regarding the Foundation's premises and the fact that this risked disrupting the Foundation's activities. They regretted that the situation remains at a standstill since the Consortium that managed and occupied part of the complex went into liquidation in 2011 and left part of the complex empty. There is an urgent need for the host country to find a solution to this matter.

2016 discharge: European Training Foundation (ETF)

2017/2156(DEC) - 09/02/2018 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2016 and the balance sheet as at 31 December 2016 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 2016, 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 2016.

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 2016 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 2016 are legal and regular in all material respects.

Nevertheless, the following observations were made:

- **governance**: the Council welcomed the positive evaluation of the Foundation's governance. It encouraged the Foundation to build on this positive outcome in relation to its monitoring capacity in order to give an even clearer picture of its activities and achievements;
- **host country**: the Council noted with concern the unsatisfactory situation of the Foundation's premises and called on the Foundation to request the host country to remedy the shortcomings, in particular in light of the host agreement guaranteeing appropriate facilities until 2027.

2016 discharge: European Training Foundation (ETF)

2017/2156(DEC) - 18/04/2018 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Director of the European Training Foundation (ETF) in regard to the implementation of the foundation's budget for the 2016 financial year and to approve the closure of the accounts for the financial year in question.

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the foundation's annual accounts for the financial year 2016 are reliable and that the underlying transactions are **legal and regular**, Parliament adopted by 560 votes to 129 with 8 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:** the final budget of the foundation for the financial year 2016 was EUR 20 900 849.11, representing a decrease of 0.63 % compared to 2015. The budget of the foundation derives mainly from the Union budget.
- **Budget and financial management:** budget monitoring efforts during the financial year 2016 resulted in a high budget implementation rate of 99.99 %, indicating that commitments were made in a timely manner, and that the payment appropriations execution rate was at 97.66 %.
- **Commitments and carryovers:** the overall carry-overs decreased from 3.3 % in the period 2015 to 2016 to 3.1 % in the period 2016 the 2017, which is an indication of the improved alignment of the Foundations' administrative activities and their payments to its annual cycle.

Members also made a series of observations regarding the prevention and management of conflicts of interests, staff policy and internal audits and transbe addressedfers. In particular, they recommended that the **gender imbalance** is addressed since the ratio was over two to one: 67.94 % females to 32.06 % male staff. They also emphasised the need to establish an independent body with sufficient budgetary resources to support **whistleblowers** wishing to disclose information on possible irregularities negatively impacting on the Union's financial interests, while ensuring their confidentiality is protected.

In 2016, the Foundation took key measures to improve the efficiency of its internal control systems.

On **performance**, Members noted the unsatisfactory situation regarding the Foundation's premises and the fact that this risked disrupting the Foundation's activities. They regretted that the situation remains at a standstill since the Consortium that managed and occupied part of the complex went into liquidation in 2011 and left part of the complex empty. There is an urgent need for the host country to find a solution to this matter.

Lastly, Parliament acknowledged the foundation's work in supporting the Union's partner countries to harness their human capital through the reform of education, training and labour market systems in the context of the Union's external relations policy.

2016 discharge: European Training Foundation (ETF)

2017/2156(DEC) - 26/06/2017 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2016, as part of the 2016 discharge procedure.

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

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.

This Commission document concerns the EU's consolidated accounts for the year 2016 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 **European Training Foundation** (ETF), 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 **European Training Foundation** (ETF).

European Training Foundation: the 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.

As regards the EFT's accounts, these are presented in detail in the document on the consolidated annual accounts of the European Union for 2016:

Commitment appropriations:

- available: EUR 21 million;
- made: EUR 21 million.

Payment appropriations:

- available: EUR 21 million;
- made: EUR 21 million.

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

2016 discharge: European Training Foundation (ETF)

2017/2156(DEC) - 12/09/2017 - 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 2016, 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**). The Foundation's task is to support the reform of vocational training in the European Union's partner countries.

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 2016, 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 2016 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 2016 are legal and regular in all material respects.

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

The Court's observations:

- **financial management**: the Court highlighted once again the situation regarding the Foundation's premises as unsatisfactory and puts activities at risk of disruption. The situation remains at a standstill since the Consortium that managed and occupied part of the complex went into liquidation in 2011 and left part of the complex empty. There is an urgent need for the host country to find a solution to this matter. Under the host agreement, appropriate facilities are guaranteed until 2027.

The Foundation's reply:

- **financial management**: the Foundation has taken note of the Court's report.

Lastly, the Court of Auditors' report contains a summary of the Foundation's key figures in 2016:

- **Budget**: EUR 21 million.
- **Staff**: 130 including officials, temporary and contract staff and seconded national experts.