



## European Training Foundation

Villa Gualino,  
viale Settimio Severo, 65  
I-10133 Torino

Tel: +39. 011. 630.22.22  
Fax: +39. 011. 630.22.00  
email: [info@etf.eu.int](mailto:info@etf.eu.int)  
Web: <http://www.etf.eu.int>

To members of the Governing Board  
of the European Training Foundation

Turin, 23 January 2003

Dear Colleague,

### **Governing Board: Written Procedure – Preliminary Draft Budget 2004 & new ETF Financial Regulation**

I would be grateful for your help on two important issues which need to be agreed by the Governing Board.

#### **1. ETF Preliminary Draft Budget 2004**

I attach a proposed ETF Preliminary Draft Budget (PDB) 2004, agreed with the European Commission, which stands at Mio Euro 17.600. Members will note that this sum represents a shortfall of Euro 600 000 against the Foundation's initial proposal. The key points of the proposed PDB are as follows:

**Proposed Title 1** represents an increase of Euro 361 000 (3.1%) on Budget 2003 to cover the costs of 104 FTE staff.

**Proposed Title 2** rises by Euro 13 000 (0.9%) on Budget 2003 – an increase which is considerably less than the anticipated rate of inflation.

**Proposed Title 3** represents an increase of Euro 26 000 (0.5%) on Budget 2003 which, members will recall from the Governing Board discussions in November, had been cut by Euro 300.000 to cover the costs of 104 Temporary Agents during that year. Not only is the figure for 2004 considerably less than the rate of inflation, it is also Euro 371 000 less than the Title 3 budget in 2002.

Although the Governing Board is invited to approve the Preliminary Draft Budget 2004, I believe that it demonstrates the need for an efficient and timely strategic planning process between the Foundation and the Commission services on the Work Programme, budget and mid-term planning. I suggest that this is an issue which should be discussed during the next Governing Board meeting in the context of the Foundation's Action Plan which will respond to the Communication of the Commission on the External Evaluation. Members should note that the Foundation and Commission services have already started to discuss such arrangements.





## 2. New ETF Financial Regulation

At the Governing Board meeting on 27 November 2002 members were told about the forthcoming recasting of the Foundation's Financial Regulation which, following consultation with Commission services, would require Governing Board approval through a written procedure. I would be grateful if you would study the enclosed draft ETF Financial Regulation (in which changes are summarised briefly on pages 5 & 6) and the implementation timetable, and **agree the adoption** of the Regulation.

Members are asked to note in particular Article 47 paragraph 4 of the new draft ETF Financial Regulation. This requires the Governing Board to decide whether the Foundation should refer cases of financial irregularity to a Commission panel or establish its own independent and specialised panel. The Foundation proposes to make use of the Commission panel and I would be grateful if you would **agree this proposal**.

You will understand that these are urgent matters and that a prompt reply will be helpful. I would therefore be most grateful for your response to this written procedure by latest 11 February 2003. If I do not hear from you by that date I will assume that you are content with both the new ETF Financial Regulation (including the Foundation's proposal for Article 47) and the ETF Preliminary Draft Budget 2004.

I would also like to take this opportunity to tell you that the next meeting of the Governing Board will be held in Turin on Tuesday 17 June; observers from the future Member States will also be invited to attend the meeting. I will send full details and papers to you nearer the date. May I also remind you that the Governing Board will meet on 3 November 2003.

I am grateful for your continuing interest and support.

Yours sincerely,

Peter de Rooij  
Director

Encl: ETF Preliminary Draft Budget 2004  
New ETF Financial Regulation & implementation timetable



## ANNEX TO THE GOVERNING BOARD DECISION ADOPTING THE EUROPEAN TRAINING FOUNDATION'S «FINANCIAL REGULATION 2003»

### Implementation time table

While adopting in December 2002 the new Financial Regulation of the European Training Foundation (hereafter «Financial Regulation 2003»), on the basis of the Commission Regulation (EC) N° XX on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) N° 1605/2002 on the Financial regulation applicable to the general budget of the European Communities

#### THE GOVERNING BOARD OF THE EUROPEAN TRAINING FOUNDATION

recognises that full implementation of this regulation requires technical and other preparation, jointly by both the Foundation and the European Institutions, that will not be concluded before the regulation comes into force on 1 January 2003.

In line with the Commission resolution of 19 November 2002<sup>1</sup> the Governing Board requires that the Foundation takes all the necessary measures to implement fully the «Financial Regulation 2003» as soon as possible and not later than indicated in the following time table:

- The new Financial Regulation adopted by the Governing Board will come into force from 1 January 2003;
- The internal financial control function to replace the Commission's Financial Control in the budgetary accounting workflow will be in place from 1 January 2003;

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<sup>1</sup> Commission statement with reference to its meeting of 19 November 2002, concerning the framework Financial Regulation for the Community bodies

"On the occasion of the adoption of this framework Financial Regulation, the Commission confirms that the Community bodies referred to in Article 185 of the framework Financial Regulation are obliged, to the best of their abilities, to adapt their own financial regulations by 1 January 2003 and, in any case, by this date to have already implemented those provisions of the general Financial Regulation which apply to them, in particular those relating to discharge, the powers of the Commission's internal auditor and the application of the accounting rules, as provided for in Article 185(2) to (4) of the general Financial Regulation.

The Commission also specifies that the reference to 'the relevant provisions of the general Financial Regulation and the detailed rules for implementing that Regulation' (in the context of their application to the Community bodies) refers to the whole general Financial Regulation and the detailed rules for its implementation, including the specific provisions applicable to external action."

- The new Implementation Rules concerning the Foundation's "Financial Regulation 2003" will be sent to the Governing Board for adoption latest on 15 March 2003;
- The budgetary accounts January-June 2003 will be moved on 30 June to a new version of the Budget Accounting System (SI2) which has been provided by DG Budget through the Community bodies' Common Support Service (CSS);
- The "Financial Regulation 2003" will be fully implemented from 1 July 2003 onwards.