

# EUROPEAN PARLIAMENT

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## REPORT

on the discharge for the implementation of the budget of the European Training  
Foundation for the financial year 2004  
(N6-0011/2005 – C6-0168/2005 – 2005/2116(DEC))

Committee on Budgetary Control

Rapporteur: Umberto Guidoni

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## PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

### **on the discharge for the implementation of the budget of the European Training Foundation for the financial year 2004 (N6-0011/2005 – C6-0168/2005 – 2005/2116(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Training Foundation for the financial year 2004<sup>1</sup>,
  - having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2004, together with the Foundation's replies<sup>2</sup>,
  - having regard to the Council's recommendation of 14 March 2006 (5972/2006 - C6-0093/2006),
  - having regard to the EC Treaty, and in particular Article 276 thereof,
  - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>3</sup>, and in particular Article 185 thereof,
  - having regard to Council Regulation (EEC) No 1360/90 of 7 May 1990 establishing a European Training Foundation<sup>4</sup>, and in particular Article 11 thereof,
  - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>5</sup>, and in particular Article 94 thereof,
  - having regard to Rule 71 of and Annex V to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A6-0102/2006),
1. Grants discharge to the Director of the European Training Foundation for the implementation of the Foundation's budget for the financial year 2004;
  2. Sets out its comments in the resolution below;

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<sup>1</sup> OJ C 269, 28.10.2005, p. 36.

<sup>2</sup> OJ C 332, 28.12.2005, p. 75.

<sup>3</sup> OJ L 248, 16.9.2002, p. 1.

<sup>4</sup> OJ L 131, 23.5.1990, p. 1. Regulation as last amended by Regulation (EC) No 1648/2003 (OJ L 245, 29.9.2003, p. 22)

<sup>5</sup> OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

3. Instructs its President to forward this decision and the resolution that forms an integral part of it to the Director of the European Training Foundation, the Council, the Commission and the Court of Auditors and to have them published in the Official Journal of the European Union (L series).

## PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on the closure of the accounts of the European Training Foundation for the financial year 2004 (N6-0011/2005 – C6-0168/2005 – 2005/2116(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Training Foundation for the financial year 2004<sup>1</sup>,
  - having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2004, together with the Foundation's replies<sup>2</sup>,
  - having regard to the Council's recommendation of 14 March 2006 (5972/2006 - C6-0093/2006),
  - having regard to the EC Treaty, and in particular Article 276 thereof,
  - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>3</sup>, and in particular Article 185 thereof,
  - having regard to Council Regulation (EEC) No 1360/90 of 7 May 1990 establishing a European Training Foundation<sup>4</sup>, and in particular Article 11 thereof,
  - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>5</sup>, and in particular Article 94 thereof,
  - having regard to Rule 71 of and Annex V to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A6-0102/2006),
1. Notes the following figures for the accounts of the European Training Foundation for the financial years 2004 and 2003:

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<sup>1</sup> OJ C 269, 28.10.2005, p. 40.

<sup>2</sup> OJ C 332, 28.12.2005, p. 75.

<sup>3</sup> OJ L 248, 16.9.2002, p. 1.

<sup>4</sup> OJ L 131, 23.5.1990, p. 1. Regulation as last amended by Regulation (EC) No 1648/2003 (OJ L 245, 29.9.2003, p. 22)

<sup>5</sup> OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

## Revenue and expenditure account for the financial years 2004 and 2003 (in EUR 1000)

	2004	2003
<b>Revenue</b>		
Commission subsidies	17 600	18 100
Other donors	800	523
Miscellaneous revenue	80	17
Financial revenue	—	—
<b>Total revenue (a)</b>	<b>18 480</b>	<b>18 640</b>
<b>Expenditure</b>		
<i>Staff— Title I of the budget</i>		
Payments	11 122	10 771
Appropriations carried over	123	329
<i>Administration — Title II of the budget</i>		
Payments	1 213	1076
Appropriations carried over	247	310
<i>Operating activities — Title III of the budget</i>		
Payments	3 449	3 396
Appropriations carried over	1 168	1 087
<i>Earmarked revenue</i>		
Payments	260	237
Appropriations carried over	540	286
<b>Total expenditure (b)</b>	<b>18 122</b>	<b>17 492</b>
<b>Outturn for the financial year (a - b)</b>	<b>358</b>	<b>1 148</b>
Balance carried over from the previous financial year	-1 318	-2 155
Appropriations carried over and cancelled	204	375
Reimbursements to the Commission	0	-703
Exchange-rate differences	-4	17
<b>Balance for the financial year</b>	<b>-759</b>	<b>-1 318</b>

<sup>(1)</sup> The revenue and expenditure account and balance sheet only take account of the Foundation's specific activities: they do not include programmes managed on behalf of the Commission.

2. Approves the closure of the accounts of the European Training Foundation for the financial year 2004;
3. Instructs its President to forward this decision to the Director of the European Training Foundation, the Council, the Commission and the Court of Auditors and to have it published in the Official Journal of the European Union (L series).

## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**with comments forming an integral part of the decision on the discharge for the implementation of the budget of the European Training Foundation for the financial year 2004 (N6-0011/2005 – C6-0169/2005 – 2005/2116(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Training Foundation for the financial year 2004<sup>1</sup>,
  - having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2004, together with the Foundation's replies<sup>2</sup>,
  - having regard to the Council's recommendation of 14 March 2006 (5972/2006 - C6-0093/2006),
  - having regard to the EC Treaty, and in particular Article 276 thereof,
  - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>3</sup>, and in particular Article 185 thereof,
  - having regard to Council Regulation (EEC) No 1360/90 of 7 May 1990 establishing a European Training Foundation<sup>4</sup>, and in particular Article 11 thereof,
  - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>5</sup>, and in particular, Article 94 thereof,
  - having regard to Rule 71 of and Annex V to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A6-0102/2006),
- A. whereas the Court of Auditors stated that it had obtained reasonable assurance that, except for a failure to include expenditure incurred within the framework of the Tempus programmes, the annual accounts for the financial year ended 31 December 2004 were reliable and that the underlying transactions, taken as a whole, were legal and regular,

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<sup>1</sup> OJ C 269, 28.10.2005, p. 40.

<sup>2</sup> OJ C 332, 28.12.2005, p. 75.

<sup>3</sup> OJ L 248, 16.9.2002, p. 1.

<sup>4</sup> OJ L 131, 23.5.1990, p. 1. Regulation as last amended by Regulation (EC) No 1648/2003 (OJ L 245, 29.9.2003, p. 22)

<sup>5</sup> OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

- B. whereas the Court of Auditors states that it has obtained reasonable assurance from all the agencies, excepting the express reservations in respect of the 2004 financial year concerning the European Agency for Reconstruction, the European Centre for the Development of Vocational Training, the European Training Foundation, the European Monitoring Centre on Racism and Xenophobia and the European Food Safety Authority,
- C. whereas on 12 April 2005 Parliament gave discharge to the Director in respect of the implementation of the Foundation's budget for the 2003 financial year and in the resolution accompanying the discharge decision Parliament *inter alia* noted that the Court of Auditors had again criticised the Foundation for a failure to properly present in its accounts expenditure related to the Tempus programme and expected to be fully informed in the Foundation's 2004 annual activity report about a solution, agreed with the Commission, regarding the correct presentation in the accounts of this expenditure,
1. Recalls that according to Article 185 of the Financial Regulation, Parliament gives discharge for the implementation of the budgets of the bodies set up by the Communities and having legal personality which actually receive grants charged to the budget; points out, however, that not all of these bodies are fully, or even partially, funded via grants charged to the budget; emphasises that the discharge decision therefore covers both the budget and the non-budget funding of these bodies; considers it unacceptable that some of the bodies set up by the Union are accountable for the expenditure of income received from sources other than the budget whilst others, which do not receive a subsidy from the budget, are not; affirms the principle according to which all Community agencies, whether or not they are subsidised, are subject to discharge by Parliament, even when another discharge authority intervenes in accordance with their basic texts; takes the view that there is a need to review all texts that go against this principle;
  2. Finds table 1 of the Court of Auditors' report, introduced for the first time during the 2003 discharge exercise, which summarises the Foundation's powers and responsibilities, governance, resources, activities and services provided, of great value; notes that the information contained in table 1 is supplied by the Foundation; asks the Court of Auditors to verify the contents of table 1;
  3. Insists that as well as spending money properly, agencies should also strive to spend money as efficiently and effectively as possible; invites the Court of Auditors to consider the possibility of extending its specific annual reports on the agencies to include an examination of performance and achievement of objectives; in this context and in line with its resolutions on the 2003 discharge, insists that the following aspects be taken into account: duplication of work among the agencies must be avoided as much as possible, and measures designed to improve transparency and communication with the public must be clarified, along with Community affirmative action measures at all levels of recruitment, training and the assignment of responsibilities;
  4. Notes that Community agencies do not always have a good image or good press and that many of them do not deserve such a negative image; points out that EU citizens should be made aware of this, with appropriate means being used to explain as often as is necessary



the *raison d'être* and achievements of the agencies; calls on the Commission to act accordingly, using whatever means it considers necessary;

5. Notes that the enlargement of the European Union in 2004 has affected the structures and operating arrangements of the Community agencies in many ways, and that several of the agencies draw attention to these effects in their activity reports, focusing in particular on the increase in the number of administrators; calls on the Commission to assess the real or supposed problems encountered and to recommend the regulatory changes required;
6. Notes that the Commission has made a commitment to harmonising the way in which activity reports concerning its directorates-general are presented; calls for a similar approach to be taken in respect of the activity reports of the Community's agencies, which differ significantly in terms of content; calls on the Commission to point out to the Community's agencies the information and activity indicators that they must provide;
7. Is disappointed to note that the Foundation has still not solved the problem concerning the correct presentation in its accounts of expenditure related to the Tempus programme; notes that this problem has persisted despite repeated criticisms from the Court of Auditors in annual reports since 1999, and that the Court of Auditors has now entered a reservation concerning the Foundation's accounts as a consequence; insists that the accounts of the Foundation respect the principles of unity and budget accuracy;
8. Insists that the Agency comply with the regulations in force concerning the publication of a budget subdivided into articles and items and including an establishment plan; will nevertheless bear in mind the Agency's comments on the disproportionate cost of publication and assurances of transparency when considering revisions to the Financial Regulation;
9. Welcomes the detailed information on the development of internal auditing by the Foundation included in the 2004 Annual Activity Report; looks forward to a progress report in the 2005 Annual Activity Report and to the summary report on internal audits in 2005 as required by Article 72(5) of the framework Financial Regulation 2343/2002;
10. Calls on the Commission to help the agencies follow as closely as possible the work plan agreed for the year ahead, allowing activities to be properly planned and implemented, and particularly to avoid major, last-minute changes to the work load;
11. Asks the Commission to improve synergies between agencies by making cooperation more effective, avoiding duplication of work and addressing shortcomings, in particular as regards common areas such as training, the implementation of Community policies across the board, the use of the latest management systems and solving problems relating to sound management of the budget.

## PROCEDURE

<b>Title</b>	Discharge for 2004 – European Training Foundation		
<b>References</b>	N6-0011/2005 – C6-0168/2005 – 2005/2116(DEC)		
<b>Legal basis</b>	Article 276 EC		
<b>Basis in Rules of Procedure</b>	Rule 71 and Annex V		
<b>OJ publication of the agency's final annual accounts</b>	OJ C 269, 28.10.2005		
<b>OJ publication of the Court of Auditors' annual report</b>	OJ C 332, 28.12.2005		
<b>Council recommendation</b> Date forwarded	5972/2006 - C6-0093/2006 14.3.2006		
<b>Committee responsible</b> Date of referral	CONT 19.1.2006		
<b>Committees asked for opinions</b> Date of referral	EMPL 19.1.2006		
<b>Opinion not delivered</b> Date of decision	EMPL 27.10.2005		
<b>Rapporteur(s)</b> Date appointed	Umberto Guidoni 20.4.2005		
<b>Discussed in committee</b>	22.2.2006	21.3.2006	
<b>Date adopted</b>	21.3.2006		
<b>Result of vote:</b>			
<b>Proposal for decision on discharge</b>	for: 17	against: 1	abstentions: 0
<b>Proposal for a decision on the closure of the accounts</b>	for: 18	against: 1	abstentions: 0
<b>Motion for a resolution with comments</b>	for: 19	against 1	abstentions: 0
<b>Members present for the final vote</b>	Herbert Bösch, Simon Busuttil, Paulo Casaca, Petr Duchoň, James Elles, Szabolcs Fazakas, Markus Ferber, Christofer Fjellner, Umberto Guidoni, Dan Jørgensen, Ona Juknevičienė, Nils Lundgren, Hans-Peter Martin, Edith Mastenbroek, José Javier Pomés Ruiz, Bart Staes, Margarita Starkevičiūtė, Kyösti Virrankoski, Terence Wynn		
<b>Substitutes present for the final vote</b>	Ashley Mote, Paul Rübig		
<b>Substitutes under Rule 178(2) present for the final vote</b>			
<b>Date tabled</b>	27.3.2006		
<b>Comments (available in one language only)</b>			