

**2009 discharge: European Training Foundation**

**1. European Parliament decision of 10 May 2011 on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2009 (C7-0235/2010 – 2010/2175(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Training Foundation for the financial year 2009,
  - having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2009, together with the Foundation's replies<sup>1</sup>,
  - having regard to the Council's recommendation of 15 February 2011 (05892/2011 – C7-0052/2011),
  - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
  - 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>2</sup>, and in particular Article 185 thereof,
  - having regard to Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation (recast)<sup>3</sup>, and in particular Article 17 thereof,
  - having regard to Commission Regulation (EC, Euratom) No 2343/2002<sup>4</sup> of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002, and in particular Article 94 thereof,
  - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0109/2011),
1. Grants the Director of the European Training Foundation discharge in respect of the implementation of the Foundation's budget for the financial year 2009;
  2. Sets out its observations in the resolution below;

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<sup>1</sup> OJ C 338, 14.12.2010, p. 149.

<sup>2</sup> OJ L 248, 16.9.2002, p. 1.

<sup>3</sup> OJ L 354, 31.12.2008, p. 82.

<sup>4</sup> OJ L 357, 31.12.2002, p. 72.

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 arrange for their publication in the *Official Journal of the European Union* (L series).

**2. European Parliament decision of 10 May 2011 on the closure of the accounts of the European Training Foundation for the financial year 2009 (C7-0235/2010 – 2010/2175(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Training Foundation for the financial year 2009,
  - having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2009, together with the Foundation's replies<sup>1</sup>,
  - having regard to the Council's recommendation of 15 February 2011 (05892/2011 – C7-0052/2011),
  - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
  - 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>2</sup>, and in particular Article 185 thereof,
  - having regard to Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation (recast)<sup>3</sup>, and in particular Article 17 thereof,
  - having regard to Commission Regulation (EC, Euratom) No 2343/2002<sup>4</sup> of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002, and in particular Article 94 thereof,
  - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0109/2011),
1. Approves the closure of the accounts of the European Training Foundation for the financial year 2009;
  2. 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 arrange for its publication in the *Official Journal of the European Union* (L series).

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<sup>1</sup> OJ C 338, 14.12.2010, p. 149.

<sup>2</sup> OJ L 248, 16.9.2002, p. 1.

<sup>3</sup> OJ L 354, 31.12.2008, p. 82.

<sup>4</sup> OJ L 357, 31.12.2002, p. 72.



**3. European Parliament resolution of 10 May 2011 on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2009  
(C7-0235/2010 – 2010/2175(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Training Foundation for the financial year 2009,
  - having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2009, together with the Foundation's replies<sup>1</sup>,
  - having regard to the Council's recommendation of 15 February 2011 (05892/2011 – C7-0052/2011),
  - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
  - 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>2</sup>, and in particular Article 185 thereof,
  - having regard to Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation (recast)<sup>3</sup>, and in particular Article 17 thereof,
  - having regard to Commission Regulation (EC, Euratom) No 2343/2002<sup>4</sup> of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002, and in particular Article 94 thereof,
  - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0109/2011),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,
- B. whereas, on 5 May 2010, Parliament granted the Director of the European Training Foundation discharge for implementation of the Foundation's budget for the financial year 2008<sup>5</sup>, and in its resolution accompanying the discharge decision, *inter alia*:

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<sup>1</sup> OJ C 338, 14.12.2010, p. 149.

<sup>2</sup> OJ L 248, 16.9.2002, p. 1.

<sup>3</sup> OJ L 354, 31.12.2008, p. 82.

<sup>4</sup> OJ L 357, 31.12.2002, p. 72.

<sup>5</sup> OJ L 252, 25.9.2010, p. 182.



- noted that following the recast in 2008 of Council Regulation (EEC) No 1360/90 of 7 May 1990 establishing a European Training Foundation<sup>1</sup>, the Foundation now has the option of developing its expertise in different sectors from those considered in previous years,
  - expressed concern about the findings of the Court of Auditors as regards the lack of transparency in recruitment procedures and the intervention of the European Anti-Fraud Office (OLAF), which has opened an inquiry (OF/2009/0370),
  - urged the Foundation to report on the allocation of its human resources; pointed out, in particular, that inadequate consideration of human resources in the context of annual planning and activity reporting entails a risk of inefficiency,
- C. whereas the budget of the Foundation for the year 2009 was EUR 19 100 000, 0,5 % less than its budget for 2008,
1. Draws attention to the Court of Auditors' confirmation that the annual accounts for a budget of EUR 19 100 000 fairly present the Foundation's actual financial position at 31 December 2009 and that the Foundation's operations and cash flows for the financial year 2009 are in accordance with its financial rules;

#### ***Performance***

2. Welcomes the Foundation's intention to improve the performance of Vocational Education and Training (VET) systems in the Foundation partner countries ("Torino Process") and to develop a common methodology with International Organisations and Bilateral Donors to improve its role;
3. Calls again on the Foundation to set out, in a table to be annexed to the Court of Auditors' next report, a comparison of the operations that were carried out during the year for which discharge is to be granted and during the previous financial year so as to enable the discharge authority to assess its performance more effectively from one year to the next;

#### ***Cooperation with the European Centre for the Development of Vocational Training (Cedefop)***

4. Notes that, in November 2009, the cooperation agreement between the Foundation and Cedefop was renewed for the period 2010-2013; acknowledges that each year the Foundation and Cedefop draft, in the context of the cooperation framework, a joint work programme which is annexed to the work programmes of each Agency; welcomes the Foundation's intention to devote further space to reporting on the implementation of this joint work programme in future Annual Activity Reports;

#### ***Budgetary management***

5. Urges the Foundation to draw up budgetary procedures more rigorously in order to avoid the considerable number of budgetary transfers; calls, also, on the Foundation to obtain the authorisation of its Governing Board when transfers are required; recalls that this is required by the Foundation's Financial Regulation;

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<sup>1</sup> OJ L 131, 23.5.1990, p. 1.

6. Reminds, also, the Foundation of its obligation to show a summary statement of the schedule of payments due in subsequent financial years to meet budget commitments entered into in earlier financial years (Article 31(2) of the Foundation's Financial Regulation);
7. Calls on the Foundation to closely follow the provisions of the basic regulation, especially where financial transfers between titles are concerned; takes the view, however, that activity-based budgeting is difficult in a system that separates staff and administrative expenditure from operational expenditure, especially for an agency of which the main activities are providing policy analyses, disseminating and exchanging information and experience and supporting partner-country capacity building;

#### *Human resources*

8. Welcomes the Foundation's initiative of undertaking a thorough review of its recruitment procedures in response to the findings of the Internal Audit Service (IAS) and to the recommendations made by the Parliament; notes in particular that the Foundation's recruitment procedure has been redefined, some steps have been added and the key supporting tools have been reviewed;

#### *Internal audit*

9. Welcomes the Foundation's initiative of providing the discharge authority with the IAS's Annual Internal Audit Report concerning the Foundation; considers this to be an indication of transparency and an example of best practice to be followed by all other agencies;
10. Acknowledges that, in 2009, the IAS performed an audit on Building Blocks of Director's Declaration of Assurance with the objective of obtaining reasonable assurance as to the adequacy, effectiveness and disclosure in the Annual Activity Report of the different building blocks that constitute the basis for the Director's Declaration of Assurance; notes that the IAS found that the scarcity of relevant information underpinning the observation provided by the Director in his Declaration of Assurance may mislead the reader; calls, therefore, on the Director of the Foundation to elaborate in more detail these observations (by providing inter alia information on the criteria for classification, on the potential detrimental impact and/or materiality, and on the likelihood of a negative event taking place);
11. Acknowledges that 11 out of the 15 recommendations made by IAS have been closed in 2009; notes also that 8 new IAS recommendations have been opened in 2009, concerning the following: the Director's Declaration of Assurance, a better description of the Internal Control system, a detailed description of risk management, the introduction of ex-post controls on financial transactions with a risk-based sampling of commitments and payments and the definition of target values for corporate indicators;

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12. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 10 May 2011<sup>1</sup> on the performance, financial management and control of the agencies.

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<sup>1</sup> Texts adopted, P7\_TA-PROV(2011)0163.