

## Discharge 2010: European Training Foundation

### 1. European Parliament decision of 10 May 2012 on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2010 (C7-0283/2011 – 2011/2222(DEC))

*The European Parliament,*

- having regard to the final annual accounts of the European Training Foundation for the financial year 2010,
- having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2010, together with the Foundation's replies<sup>1</sup>,
- having regard to the Council's recommendation of 21 February 2012 (06083/2012 – C7-0051/2012),
- having regard to 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 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>4</sup>, 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 (A7-0135/2012),

1. Grants the Director of the European Training Foundation discharge in respect of the implementation of the Foundation's budget for the financial year 2010;
2. Sets out its observations in the resolution below;
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

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<sup>1</sup> OJ C 366, 15.12.2011, p. 145.

<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.

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 2012 on the closure of the accounts of the European Training Foundation for the financial year 2010 (C7-0283/2011 – 2011/2222(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Training Foundation for the financial year 2010,
- having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2010, together with the Foundation's replies<sup>1</sup>,
- having regard to the Council's recommendation of 21 February 2012 (06083/2012 – C7-0051/2012),
- having regard to 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 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>4</sup>, 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 (A7-0135/2012),

1. Approves the closure of the accounts of the European Training Foundation for the financial year 2010;
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 366, 15.12.2011, p. 145.

<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 2012 with observations forming an integral part of its decision on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2010 (C7-0283/2011 – 2011/2222(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Training Foundation for the financial year 2010,
- having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2010, together with the Foundation's replies<sup>1</sup>,
- having regard to the Council's recommendation of 21 February 2012 (06083/2012 – C7-0051/2012),
- having regard to 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 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>4</sup>, 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 (A7-0135/2012),

A. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the annual accounts for the financial year 2010 are reliable and that the underlying transactions are legal and regular,

B. whereas on 10 May 2011 Parliament granted the Director of the European Training Foundation discharge for implementation of the Foundation's budget for the financial year 2009<sup>5</sup>, and in its resolution accompanying the discharge decision, *inter alia*:

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<sup>1</sup> OJ C 366, 15.12.2011, p. 145.

<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 250, 27.9.2011, p. 196.

- urged the Foundation to draw up budgetary procedures more rigorously in order to avoid the considerable number of budgetary transfers,
- called on the Foundation to fulfil its obligation to show a summary statement of the schedule of payments, so that in subsequent financial years budget commitments entered into in earlier financial years will be met ,
- called on the Foundation to obtain the authorisation of its Governing Board when transfers are required, which is required by the Foundation's Financial Regulation,

C. whereas the overall budget of the Foundation for the year 2010 was EUR 19 300 000, compared with EUR 20 200 000 in 2009, which represents a decrease of 4,46 %,

D. whereas the initial contribution of the Union to the budget of the Foundation for 2010 was EUR 18 282 000 compared with EUR 14 772 000 in 2009<sup>1</sup>,

### ***Budget and Financial Management***

1. Notes that the Union contribution for 2009 amounted to a total of EUR 19 872 000 and that this amount was made up of the initial contribution of the Union, i.e. EUR 14 772 000, and EUR 5 100 000, coming from the recovery of surplus from previous years; recalls moreover that the initial Union contribution to the Foundation for 2010 amounted to EUR 18 282 000; notes however that EUR 1 178 000, coming from the recovery of surplus, was added to it which, as a result, makes a total Union contribution of EUR 19 460 000 for 2010<sup>2</sup>;
2. Takes note that the Foundation's Annual Financial Statements mention that the contribution of the Union for 2010 amounted in fact EUR 19 196 840,29; acknowledges the Foundation's statement that the actual contribution granted by the Union in 2010 totalled EUR 19 297 822, i.e. EUR 19 460 000 minus EUR 162 178 which represents the Union contribution in kind; also takes note from the Foundation that, of the amount received from the Union, it used EUR 19 196 840,29 and returned the remaining EUR 100 981,71 to the Commission;
3. Establishes from the Foundation's Annual Financial Statements that its budget for 2010 was amended in November 2010 to partially offset the unforeseen reduction in the Foundation's revenue;
4. Observes from the Foundation's Annual Activity Report that it achieved a commitment rate of 99,9 %, compared with 99,8 % in 2009 and 98,5 % in 2008 and a payment execution rate of 96,5 %, compared with approximately 90 % in 2009 and 2008;

### ***Transfers and carryovers***

5. Notes from the Foundation's Annual Activity Report that it has reduced the number of budgetary transfers to 15 in 2010, compared with 33 in 2009, and carried forward only 12,8 % of the 2010 amount committed, compared with 17 % in 2009, 15 % in 2008;

### ***Registration of the exceptions***

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<sup>1</sup> OJ L 64, 12.3.2010, p. 926.

<sup>2</sup> OJ L 64, 12.3.2010, p. 927.

6. Notes from the Foundation's Annual Activity Report that 10 exceptions were registered on the Register of Exceptions in 2010, compared with 12 in 2009;
7. Notes that none of them involve a financial risk higher than EUR 50 000; notes in particular that these exceptions have a total financial value of EUR 100 183, which represents 0,53 % of the total Foundation budget in 2010;

#### ***Public procurement***

8. Acknowledges from the Foundation's Annual Activity Report that it stipulated 8 direct agreements with external contractors, none of which has a financial exposure higher or equal to EUR 50 000; notes that the total value of direct agreements is EUR 93 575, which represented 0,50 % of the total Foundation budget in 2010;

#### ***Human Resources***

9. Notes from the Annual Activity Report that at the end of 2010 the Foundation had 4 vacant posts in its establishment plan, compared to 10 at the end of 2009;
10. Observes also that the number of staff at the Foundation now stands at 128, with 15 staff members joining the Foundation and 10 leaving in 2010;
11. Takes note from the Annual Activity Report that the number of posts available for the implementation of the Foundation mandate are:
  - 96 temporary posts;
  - 33 contract and local agents, and
  - 6 seconded national experts;

#### ***Performance***

12. Observes from the Annual Activity Report that the Foundation developed a revised list of Corporate Performance Indicators with the aim of enhancing the relevance and measurability of its objectives and to provide data on how the Foundation performs at an aggregated level in relation to its core business and its functioning;
13. Notes, in addition, that the Foundation developed the 'dashboard' project which aims to ensure key live data for daily monitoring of its activities and notably for management and reporting;
14. Observes moreover that a risk based differentiation of payment circuits was successfully implemented in early 2010, introducing simplified circuits for low risk transactions;
15. Welcomes the fact that the Foundation successfully implemented the first year of the Torino Process, which provides a concise, documented, comprehensive analysis of vocational education and training reform in each country, including identification of key policy trends, challenges, constraints, as well as good practice and opportunities;

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

16. 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 both agencies; welcomes the Foundation's intention to devote further space to reporting on the implementation of this joint work programme in future Annual Activity Reports;

***Internal Audit***

17. Acknowledges that the Internal Audit Service (IAS) undertook an audit of planning and monitoring in 2010; notes in particular that the IAS made eight recommendations, one of which was rated as "very important" and concerns the need for the Foundation to clearly define and describe the utility of its annual planning approach;
18. Urges, in this context, the Foundation to focus on cost effective reporting relevant to the Foundation's Governing Board and key stakeholders, allowing them to check the performance of the Foundation;
19. Calls also on the Foundation to implement the remaining recommendations of the IAS from the previous audits;
20. Acknowledges from the Foundation's Annual Activity Report that it adopted the revised 16 standards for effective management as set out in the internal control standards framework;

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21. Draws attention to its recommendations from previous discharge reports, as set out in the Annex to this resolution;
22. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 10 May 2012<sup>1</sup> on the performance, financial management and control of the agencies.

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<sup>1</sup> Texts adopted, P7\_(2012)0164.

**ANNEX**  
**European Parliament recommendations over past years**

European Training Foundation	2006	2007	2008	2009
Performance	n.a.	n.a.	<ul style="list-style-type: none"> <li>-Calls on the Agency to set out a diachronic analysis of operations carried out in this and the previous years</li> <li>-Calls, in view of the fact that some areas of interest are shared, for close cooperation and synergies between the Foundation and Cedefop and calls for information to be provided regularly in the activity reports by the Directors of both agencies</li> <li>-Difficulties in establishing a direct link between the results of the Foundation's projects and the institutions' activities</li> </ul>	<ul style="list-style-type: none"> <li>-Calls on the Foundation to set out a comparison of the operations that were carried out during the year for which the discharge is to be granted &amp; during the previous financial year</li> </ul>
Budgetary and Financial Management	<ul style="list-style-type: none"> <li>-The Foundation did not respect the rules for budget presentation: the Foundation only published the commitment appropriations for its 2006, not considering the payment appropriations</li> </ul>	<ul style="list-style-type: none"> <li>-In the amending budget, the amount of the assigned revenue is incorrect. It should have been EUR 1,2 million instead of the EUR 3,4 million shown, which erroneously included assigned revenue carried over from the previous year</li> </ul>	n.a.	<ul style="list-style-type: none"> <li>-Urges the Foundation to draw up budgetary procedures more rigorously in order to avoid the considerable number of budgetary transfers.</li> <li>-Calls on the Foundation to obtain the authorisation of its Governing Body when transfers are required, which is required by the Foundations Financial Regulation</li> <li>-Reminder to fulfil 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</li> </ul>

European Training Foundation	2006	2007	2008	2009
Human Resources	n.a.	n.a.	<p>-Calls (see internal audit) on the Foundation to address weaknesses in the recruitment procedures— The Recruitment Assessment Boards must provide sufficient information on the procedures followed, including justifications for decisions and dates on which they were taken in order to ensure the transparency of these procedures</p> <p>-Calls on the Agency to comply with Council Directive 2000/78/EC of 27 November 2000</p>	n.a.
Internal Audit	n.a.	n.a.	<p>-Calls on the Foundation to take steps to fulfil 15 out of 27 recommendations made by the Internal Audit Service → i.e. to put in place without delay certain internal control standards (regarding the documentation of procedures, supervision of financial transactions and continuity of operations) and certain human resources management recommendations (regarding human resources management in annual planning and activity reporting; objective setting; time recording of the staff)</p>	<p>-Acknowledges that 11 out of 15 recommendations made by IAS have been closed in 2009</p>

