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**A7-0083/2010**

26.3.2010

# REPORT

on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2008  
(C7-0191/2009 – 2009/2120(DEC))

Committee on Budgetary Control

Rapporteur: Véronique Mathieu

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## 1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

### **on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2008 (C7-0191/2009 – 2009/2120(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Training Foundation for the financial year 2008,
  - having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2008, together with the Foundation's replies<sup>1</sup>,
  - having regard to the Council's recommendation of 16 February 2010 (5827/2010 – C7-0061/2010),
  - 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 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002<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 (A7-0083/2010),
1. Grants the Director of the European Training Foundation discharge in respect of the implementation of the Foundation's budget for the financial year 2008;
  2. Sets out its observations in the resolution below;

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<sup>1</sup> OJ C 304, 15.12.2009, p. 136.

<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. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on the closure of the accounts of the European Training Foundation for the financial year 2008  
(C7-0191/2009 – 2009/2120(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Training Foundation for the financial year 2008,
  - having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2008, together with the Foundation's replies<sup>1</sup>,
  - having regard to the Council's recommendation of 16 February 2010 (5827/2010 – C7-0061/2010),
  - 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 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002<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 (A7-0083/2010),
1. Approves the closure of the accounts of the European Training Foundation for the financial year 2008;
  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 304, 15.12.2009, p. 136.

<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. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**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 2008**

**(C7-0191/2009 – 2009/2120(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Training Foundation for the financial year 2008,
  - having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2008, together with the Foundation's replies<sup>1</sup>,
  - having regard to the Council's recommendation of 16 February 2010 (5827/2010 – C7-0061/2010),
  - 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 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002<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 (A7-0083/2010),
- A. whereas the Court of Auditors states that it has obtained reasonable assurance that the annual accounts for the financial year 2008 are reliable, and that the underlying transactions are legal and regular,

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<sup>1</sup> OJ C 304, 15.12.2009, p. 136.

<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.

B. whereas on 23 April 2009 Parliament granted the Director of the European Training Foundation discharge for implementation of the Foundation's budget for the financial year 2007<sup>1</sup>, and in its resolution accompanying the discharge decision, inter alia:

- noted the Court of Auditors' finding that the amount of assigned revenue in the amending budget was incorrect (it should have been EUR 1 200 000 and not EUR 3 400 000),
- observed that, in her statement of assurance (attached to the annual activity report), the Director expressed the same reservations as in the previous year concerning political uncertainty in partner countries, the financial management of the Tempus convention and possible social, reputational, legal and financial implications of Tempus technical assistance in the Foundation;

1. Expresses its satisfaction that the Court of Auditors has declared the annual accounts of the Foundation for the financial year 2008 to be legal and regular;

### ***Performance***

2. Notes that, in the interim evaluation of the Foundation (EAC/06/05 final report, 25 May 2006), the impact of its activities on its direct beneficiaries was in general considered positive; notes nevertheless that the impact on government institutions cannot easily be proved because of the difficulty of establishing a direct link between the results of the Foundation's projects and the institutions' activities;
3. Congratulates the Foundation which, in supporting the Commission in 2008, obtained a 97% satisfaction rate from the Commission; points out, in particular, that the most frequent applications to the Foundation were those in the field of policies and contributions in the preparation of European Neighbourhood Instruments (32%), followed by formulation (21%), programming (11%), the identification of projects (10%) and follow-up;
4. Calls on the Foundation to set out, in its table to be annexed to the Court of Auditors' next report, a comparison of operations carried out during the year for which discharge is to be granted and in the previous financial year so as to enable the discharge authority to assess its performance more effectively from one year to the next;

### ***The Foundation's field of action***

5. Notes that following the recast in 2008 of Council Regulation (EEC) No 1360/90 of 7 May 1990 establishing a European Training Foundation<sup>2</sup>, the Foundation now has the option of developing its expertise in different sectors from those considered in previous years; notes that Regulation (EC) No 1339/2008 specifies new procedural mechanisms for approving a broadening of the Foundation's thematic and geographic scope;

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

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<sup>1</sup> OJ L 255, 26.9.2009, p. 149.

<sup>2</sup> OJ L 131, 23.5.1990, p. 1.

6. 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;

### ***Internal audit***

7. Acknowledges that 12 out of the 27 recommendations made by the Internal Audit Service (IAS) have been implemented since 2006; notes that, amongst the 15 recommendations which have still not been implemented, six are considered to be 'very important'; urges the Foundation, therefore, 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; and time recording of the staff);

### ***Human resources***

8. Is concerned 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); draws attention to the Union's Employment Guidelines and in particular Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation<sup>1</sup> with regard to selection criteria and recruitment conditions; expects all Union Agencies to adhere at a minimum to those Guidelines and calls on the Foundation to set an example by implementing fair, transparent and comprehensive recruitment procedures in the future;
9. Urges the Foundation to report on the allocation of its human resources; points out, in particular, that inadequate consideration of human resources in the context of annual planning and activity reporting entails a risk of inefficiency and lack of transparency in the allocation and use of the Foundation's staff; underlines, moreover, that the objectives for individual staff members should be better aligned with the annual and strategic objectives of the Foundation and that the staff's time-recording system should also be incorporated into the framework of the annual planning and budgeting;
10. Notes the Court of Auditors' observation that there are various weaknesses in the recruitment procedures; emphasises in particular the need for the Recruitment Assessment Boards to provide sufficient information on the procedures followed, including justifications for decisions and the dates on which they were taken, to ensure the transparency of these procedures;
11. Notes, nevertheless, that the Foundation now says it has undertaken a thorough review of its recruitment procedures in response to the Court of Auditors' findings and in the light of an internal audit carried out by the IAS in 2008; calls on the Foundation, therefore, to inform the discharge authority of action taken and the subsequent results;
12. Notes the Foundation's reply admitting the validity of the Court of Auditors' opinion concerning the expatriation allowance denied to certain members of staff because of an

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<sup>1</sup> OJ L 303, 2.12.2000, p. 16.



incorrect interpretation of the rules; congratulates the Foundation for promising to review the cases concerned and then make the appropriate changes;

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13. Refers for other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of xx April 2010<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(2010)...

25.2.2010

## **OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS**

for the Committee on Budgetary Control

on discharge in respect of the implementation of the budget of the European Training Foundation  
(C7-0191/2009 - 2009/2120(DEC))

Rapporteur: Ingeborg Gräßle

### **SUGGESTIONS**

The Committee on Employment and Social Affairs calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Draws attention to the Court of Auditors' confirmation that the annual accounts for a budget of EUR 22.4 million fairly present the Foundation's actual financial position as of 31 December 2008 and that its operations and cash flows for that financial year are in accordance with the Foundation's financial rules;
2. Expresses its satisfaction that the Court of Auditors has declared the annual accounts of the Foundation for the financial year 2008 to be legal and regular;
3. Is concerned about the findings of the Court of Auditors as regards the lack of transparency in recruitment procedures<sup>1</sup> and the intervention of the European Anti-Fraud Office (OLAF), which has opened an inquiry (OF/2009/0370); draws attention to the Union's Employment Guidelines and in particular Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation<sup>2</sup> with regard to selection criteria and recruitment conditions; expects all Union Agencies to adhere at a minimum to such Guidelines and calls on the Foundation to set an example by implementing fair, transparent and comprehensive recruitment procedures in the future;
4. Welcomes the Foundation's claim to have taken measures in order to ensure the necessary

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<sup>1</sup> Report on the annual accounts of the European Training Foundation for the financial year 2008, together with the Foundation's replies (OJ C 304, 15.12.2009).

<sup>2</sup> OJ L 303, 2.12.2000, p. 16.

transparency and assessment as to the regularity of recruitment procedures;

5. In view of the fact that some areas of interest are shared, welcomes the close cooperation and the creation of synergies between the Foundation and the European Centre for the Development of Vocational Training (CEDEFOP); calls on both Agencies to provide a detailed follow-up report on the cooperation agreement in their activity reports for 2009.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	22.2.2010
<b>Result of final vote</b>	+: 27 -: 13 0: 1
<b>Members present for the final vote</b>	Regina Bastos, Edit Bauer, Milan Cabrnock, David Casa, Alejandro Cercas, Ole Christensen, Derek Roland Clark, Sergio Gaetano Cofferati, Marije Cornelissen, Tadeusz Cymański, Frédéric Daerden, Karima Delli, Proinsias De Rossa, Frank Engel, Sari Essayah, Richard Falbr, Marian Harkin, Roger Helmer, Nadja Hirsch, Danuta Jazłowiecka, Martin Kastler, Adam Kósa, Jean Lambert, Veronica Lope Fontagné, Olle Ludvigsson, Elizabeth Lynne, Elisabeth Morin-Chartier, Csaba Öry, Siiri Oviir, Konstantinos Poupakis, Sylvana Rapti, Licia Ronzulli, Elisabeth Schroedter, Jutta Steinruck, Traian Ungureanu
<b>Substitute(s) present for the final vote</b>	Vilija Blinkevičiūtė, Marielle Gallo, Joe Higgins, Ria Oomen-Ruijten, Evelyn Regner, Birgit Sippel

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	23.3.2010
<b>Result of final vote</b>	+: 20 -: 2 0: 1
<b>Members present for the final vote</b>	Jean-Pierre Audy, Jorgo Chatzimarkakis, Ryszard Czarnecki, Luigi de Magistris, Tamás Deutsch, Martin Ehrenhauser, Jens Geier, Ingeborg Gräßle, Martin Häusling, Ville Itälä, Iliana Ivanova, Bogusław Liberadzki, Monica Luisa Macovei, Christel Schaldemose, Bart Staes, Georgios Stavrakakis, Søren Bo Søndergaard
<b>Substitute(s) present for the final vote</b>	Thijs Berman, Zuzana Brzobohatá, Esther de Lange, Christofer Fjellner, Ivailo Kalfin, Véronique Mathieu, Olle Schmidt, Derek Vaughan