



Plenary sitting

A8-0075/2017

27.3.2017

REPORT

on discharge in respect of the implementation of the budget of the Translation
Centre for the Bodies of the European Union for the financial year 2015
(2016/2168(DEC))

Committee on Budgetary Control

Rapporteur: Inés Ayala Sender

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1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the budget of the Translation Centre for the Bodies of the European Union for the financial year 2015 (2016/2168(DEC))

The European Parliament,

- having regard to the final annual accounts of the Translation Centre for the Bodies of the European Union for the financial year 2015,
- having regard to the Court of Auditors' report on the annual accounts of the Translation Centre for the Bodies of the European Union for the financial year 2015, together with the Centre's reply¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2015 (05873/2017 – C8-0054/2017),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³, and in particular Article 208 thereof,
- having regard to Council Regulation (EC) No 2965/94 of 28 November 1994 setting up a Translation Centre for bodies of the European Union⁴, and in particular Article 14 thereof,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council⁵, and in particular Article 108 thereof,
- having regard to Rule 94 of and Annex IV to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A8-0075/2017),

¹ OJ C 449, 1.12.2016, p. 27.

² OJ C 449, 1.12.2016, p. 27.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 314, 7.12.1994, p. 1.

⁵ OJ L 328, 7.12.2013, p. 42.

1. Grants the Director of the Translation Centre for the Bodies of the European Union discharge in respect of the implementation of the Centre's budget for the financial year 2015;
2. Sets out its observations in the resolution below;
3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the Translation Centre for the Bodies of the European Union, 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 Translation Centre for the Bodies of the European Union for the financial year 2015
(2016/2168(DEC))**

The European Parliament,

- having regard to the final annual accounts of the Translation Centre for the Bodies of the European Union for the financial year 2015,
- having regard to the Court of Auditors' report on the annual accounts of the Translation Centre for the Bodies of the European Union for the financial year 2015, together with the Centre's reply¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2015 (05873/2017 – C8-0054/2017),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³, and in particular Article 208 thereof,
- having regard to Council Regulation (EC) No 2965/94 of 28 November 1994 setting up a Translation Centre for bodies of the European Union⁴, and in particular Article 14 thereof,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council⁵, and in particular Article 108 thereof,
- having regard to Rule 94 of and Annex IV to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A8-0075/2017),

¹ OJ C 449, 1.12.2016, p. 27.

² OJ C 449, 1.12.2016, p. 27.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 314, 7.12.1994, p. 1.

⁵ OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of the Translation Centre for the Bodies of the European Union for the financial year 2015;
2. Instructs its President to forward this decision to the Director of the Translation Centre for the Bodies of the European Union, 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).

3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Translation Centre for the Bodies of the European Union for the financial year 2015
(2016/2168(DEC))**

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the budget of the Translation Centre for the Bodies of the European Union for the financial year 2015,
- having regard to Rule 94 of and Annex IV to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A8-0075/2017),
- A. whereas, according to its financial statements, the final budget of the Translation Centre for the Bodies of the European Union (“the Centre”) for the financial year 2015 was EUR 49 585 500, representing a decrease of 11,88 % compared with 2014,
- B. whereas the Court of Auditors (“the Court”), in its report on the annual accounts of the Translation Centre for the Bodies of the European Union for the financial year 2015 (“the Court’s report”), has stated that it has obtained reasonable assurances that the Centre’s annual accounts are reliable and that the underlying transactions are legal and regular,
- C. whereas, in the context of the discharge procedure, the discharge authority stresses the special importance of further strengthening the democratic legitimacy of the institutions of the Union by improving transparency and accountability, implementing the concept of performance-based budgeting and good governance of human resources,

Budget and financial management

1. Notes that the budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 88,16 %, representing an increase of 8,82 % compared to the previous year; observes that the payment appropriations execution rate was at 78,58 %, representing an increase of 6,61 % compared to the previous year;
2. Takes note of the fact that the Centre took various steps to reduce its budgetary surpluses; notes, in particular, the reduction of the document translation price in 2015, the introduction of an automatic reimbursement of the previous year’s budget outturn to clients as well as the Centre’s draft programming document for the 2017-2019 period, which was prepared with deficits in mind, and the subsequent further reduction of the reserve for stability pricing;
3. Notes that, according to the Court’s report, as a result of the measures taken to reduce budgetary surpluses, the 2015 cash and short term deposits held by the Centre decreased from EUR 44 000 000 at the end of 2014 to EUR 38 300 000 at the end of 2015; notes furthermore that the Centre’s reserves decreased from EUR 40 400 000 in 2014 to

EUR 34 000 000 in 2015, reflecting the 2015 reduction of prices;

4. Acknowledges that the operational expenses of the Centre decreased by 11,23 % in 2015, mainly due to the decrease of 9,56 % in the number of outsourced pages and the decreased cost of the average price per page of an externalised document;

Commitments and carry-overs

5. Notes that the Centre slightly increased the overall rate of committed appropriations carried over to the following year from 8,40 % in 2014 to 9,63 % in 2015, representing a 1,23 % rise; notes that the level of committed appropriations carried over for Title II (administrative expenditure) was at 29 %; observes that these carry-overs mainly concerned the refurbishment of additional premises rented in 2015 as well as IT services that had not yet been provided by the end of 2015; notes that carry-overs might often be partly or fully justified by the multiannual nature of the agencies' operational programmes and do not necessarily indicate weaknesses in budget planning and implementation nor are they always at odds with the budgetary principle of annularity, in particular if they are planned in advance and communicated to the Court;
6. Notes with concern that, according to the Court's report, the Centre cancelled EUR 5 900 000 (12 % of the total budget) of appropriations available at the end of 2015; points out that these cancellations were related to the overestimation of the cost of external translators as well as to the fact that the fulfilment of the establishment plan did not reach the level foreseen in the budget; notes, however, that the Centre monitored the evolution of external translation costs more closely and based its budget forecasts for 2016 onwards on up-to-date figures; welcomes the Centre's efforts in the 2015-2016 period to improve its estimate of the cost of external translation services, which led to considerable changes in the forecast over the past three budgets;

Internal audit

7. Notes that the Commission's Internal Audit Service (IAS) finalised the reporting stage of the audit report on the "Management of the Workflow for Translation of Documents", which was concluded based on fieldwork carried out in 2014; observes that the audit identified a number of strengths in the Centre's operations but concluded that the Centre needs to strengthen its efforts in ensuring the efficiency and cost-effectiveness of its processes; calls on the Centre to report to the discharge authority on the implementation of the IAS' recommendations;
8. Notes that the Centre implemented the IAS recommendations marked "Very Important" and "Important" stemming from the 2014 audit; acknowledges that the level of implementation reported by the Centre was considered by the IAS to be satisfactory enough to proceed to a follow-up audit; calls on the Centre to report to the discharge authority on the results of the follow-up audit;

Internal control

9. Notes that, according to the Centre's Annual Activity Report, during its 2015 annual self-assessment exercise, the Centre's management assessed the compliance and effectiveness of its key controls; acknowledges that the level of implementation for

achieving compliance with all Internal Control Standards (ICSs) had been reached, provided that the internal auditor's recommendations related to Business Continuity Management were closed by the end of the year;

10. Notes that, according to the Court's report, the Centre does not yet have a Business Continuity Plan in place, resulting in non-compliance with ICS 10; acknowledges that the Centre's Business Continuity Strategy and operational Business Continuity Plans were approved in 2016 by the Centre's management together with the review of the Business Continuity documents;

Prevention and management of conflicts of interest and transparency

11. Acknowledges that the Centre's anti-fraud strategy was adopted by its management board in October 2016; notes that the Centre will include a standard chapter regarding transparency, accountability and integrity in its 2017 annual report; notes with concern the absence on the Centre's website of the curricula vitae of the Director, the members of the management board and their alternates; calls on the Centre to publish those curricula vitae in order to ensure the necessary public oversight and scrutiny of its management;

Performance

12. Notes the Centre's initiative to implement a common pre-processing approach for Community trademarks with the European Union Intellectual Property Office (EUIPO) with the aim of sharing translation memories and harmonising respective workflows so as to ensure the transparency and efficiency of the process; regrets that the negotiation between the Centre and the EUIPO did not come to fruition as the EUIPO decided not to proceed with the project; encourages the Centre to explore new possibilities for improving the efficiency of its internal processes;
13. Notes that the Centre conducted its general client satisfaction survey in 2015; observes that the Centre's management approved an action plan based on the survey conclusions to be implemented over the 2016-2017 period; notes with satisfaction that this action plan places a clear focus on translation quality assurance and on raising awareness of, and promoting, the Centre as a language service provider;
14. Notes that, according to the Centre's Annual Activity Report, on the basis of the end-of-year review performed by the Centre's management, and applying the new weighting factors, the overall implementation of the Centre's work programme for 2015 was 83,2 %, representing a 2,3 % decrease compared to the previous year; invites the Centre to recheck its planning for the annual work programme and the overall implementation and report back to the discharge authority on the possible interventions or improvements;
15. Notes with satisfaction that the Centre adopted a new Translation Quality Assurance Action Plan (TQAAP) for the 2015-2016 period; notes that the achievement rate target for the TQAAP in the Centre's 2015 Work Programme was set at 50 % and that, by the end of 2015, 49,4 % of the plan had been implemented; acknowledges that the focus of the 2015 TQAAP was on extensive training provided to the Centre's in-house translators who, inter alia, received training on subtitling techniques and were taught

how to use the software package deployed at the Centre to provide the new subtitling service to clients; notes, moreover, that an audit of the external service provider was also implemented within the TQAAP in 2015;

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16. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of [...] ¹ [on the performance, financial management and control of the agencies].).

¹ Texts adopted of that date, P[8_TA(-PROV)(2017)0000].

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	22.3.2017
Result of final vote	+: 20 -: 4 0: 0
Members present for the final vote	Inés Ayala Sender, Dennis de Jong, Martina Dlabajová, Luke Ming Flanagan, Ingeborg Gräßle, Cătălin Sorin Ivan, Jean-François Jalkh, Bogusław Liberadzki, Monica Macovei, Notis Marias, José Ignacio Salafranca Sánchez-Neyra, Petri Sarvamaa, Claudia Schmidt, Bart Staes, Hannu Takkula, Derek Vaughan, Joachim Zeller
Substitutes present for the final vote	Richard Ashworth, Gerben-Jan Gerbrandy, Benedek Jávor, Karin Kadenbach, Patricija Šulin
Substitutes under Rule 200(2) present for the final vote	Jens Geier, Piernicola Pedicini

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

20	+
ALDE	Martina Dlabajová, Gerben-Jan Gerbrandy, Hannu Takkula
ECR	Monica Macovei
GUE/NGL	Luke Ming Flanagan, Dennis de Jong
PPE	Ingeborg Gräßle, José Ignacio Salafranca Sánchez-Neyra, Petri Sarvamaa, Claudia Schmidt, Joachim Zeller, Patricija Šulin
S&D	Inés Ayala Sender, Jens Geier, Cătălin Sorin Ivan, Karin Kadenbach, Bogusław Liberadzki, Derek Vaughan
VERTS/ALE	Benedek Jávor, Bart Staes

4	-
ECR	Richard Ashworth, Notis Marias
EFDD	Piernicola Pedicini
ENF	Jean-François Jalkh

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention