



**2019/2072(DEC)**

5.12.2019

# **DRAFT 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 2018 (2019/2072(DEC))

Committee on Budgetary Control

Rapporteur: Joachim Stanisław Brudziński

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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 2018 (2019/2072(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 2018,
- 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 2018, together with the Centre's reply<sup>1</sup>,
- having regard to the statement of assurance<sup>2</sup> 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of ... February 2020 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2018 (00000/2020 – C9-0000/2020),
- 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 1605/2002<sup>3</sup>, and in particular Article 208 thereof,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012<sup>4</sup>, and in particular Article 70 thereof,
- having regard to Council Regulation (EC) No 2965/94 of 28 November 1994 setting up a Translation Centre for bodies of the European Union<sup>5</sup>, 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

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<sup>1</sup> OJ C ..., ..., p. ....

<sup>2</sup> OJ C ..., ..., p. ....

<sup>3</sup> OJ L 298, 26.10.2012, p. 1.

<sup>4</sup> OJ L 193, 30.7.2018, p. 1.

<sup>5</sup> OJ L 314, 7.12.1994, p. 1.

Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council<sup>6</sup>, and in particular Article 108 thereof,

- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the Treaty on the Functioning of the European Union and the Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council<sup>7</sup>, and in particular Article 105 thereof,
  - having regard to Rule 100 of and Annex V to its Rules of Procedure,
  - having regard to the opinion of the Committee on Culture and Education,
  - having regard to the report of the Committee on Budgetary Control (A9-0000/2019),
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 2018 / Postpones its decision on granting 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 2018;
  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).

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<sup>6</sup> OJ L 328, 7.12.2013, p. 42.

<sup>7</sup> OJ L 122, 10.5.2019, p. 1.

## 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 2018 (2019/2072(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 2018,
- 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 2018, together with the Centre's reply<sup>1</sup>,
- having regard to the statement of assurance<sup>2</sup> 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of ... February 2020 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2018 (00000/2020 – C9-0000/2020),
- 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 1605/2002<sup>3</sup>, and in particular Article 208 thereof,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012<sup>4</sup>, and in particular Article 70 thereof,
- having regard to Council Regulation (EC) No 2965/94 of 28 November 1994 setting up a Translation Centre for bodies of the European Union<sup>5</sup>, 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

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<sup>1</sup> OJ C ..., ..., p. ....

<sup>2</sup> OJ C ..., ..., p. ....

<sup>3</sup> OJ L 298, 26.10.2012, p. 1.

<sup>4</sup> OJ L 193, 30.7.2018, p. 1.

<sup>5</sup> OJ L 314, 7.12.1994, p. 1.

Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council<sup>6</sup>, and in particular Article 108 thereof,

- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the Treaty on the Functioning of the European Union and the Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council<sup>7</sup>, and in particular Article 105 thereof,
  - having regard to Rule 100 of and Annex V to its Rules of Procedure,
  - having regard to the opinion of the Committee on Culture and Education,
  - having regard to the report of the Committee on Budgetary Control (A9-0000/2019),
1. Approves the closure of the accounts of the Translation Centre for the Bodies of the European Union for the financial year 2018 / Postpones the closure of the accounts of the Translation Centre for the Bodies of the European Union for the financial year 2018;
  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).

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<sup>6</sup> OJ L 328, 7.12.2013, p. 42.

<sup>7</sup> OJ L 122, 10.5.2019, p. 1.

### 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 2018 (2019/2072(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 2018,
  - having regard to Rule 100 of and Annex V to its Rules of Procedure,
  - having regard to the opinion of the Committee on Culture and Education,
  - having regard to the report of the Committee on Budgetary Control (A9-0000/2019),
- A. whereas, according to its statement of revenue and expenditure<sup>1</sup>, the final budget of the Translation Centre for the Bodies of the European Union (the ‘Centre’) for the financial year 2018 was EUR 47 142 100, representing a decrease of 4,63 % compared to 2017; whereas 91,48 % of the Centre’s budget derives from direct contributions from institutions, other agencies and bodies;
- B. whereas the Court of Auditors (the ‘Court’), in its report on the Centre’s annual accounts for the financial year 2018 (the ‘Court’s report’), states that it has obtained reasonable assurances that the Centre’s annual accounts are reliable and that the underlying transactions are legal and regular;

#### ***Budget and financial management***

1. Notes with satisfaction that budget monitoring efforts during the financial year 2018 resulted in a budget implementation rate of 94,94 %, representing an increase of 1,82 % compared to the previous year; notes that the payment appropriations execution rate was 87,94 %, representing an increase of 2,53% compared to the previous year;

#### ***Performance***

2. Notes that the Centre uses input and output indicators as key performance indicators (KPIs) to assess the results of its activities and several indicators to enhance its budget management; notes the revised ex-ante evaluation and the ongoing ex-post revision of the Centre programmes and activities; invites the Centre to further develop the KPIs to assess the outcome and impact of its activities in order to gain qualitative advice on how to provide more added value for the Centre’s outputs and improve the Centre’s business model;

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<sup>1</sup> OJ C 416, 15.11.2018, p. 16.

3. Notes that the Centre implemented two actions to share resources with other agencies on overlapping tasks through the EU Agencies Network: a shared services catalogue, which lists all the services that can be shared by the agencies, and a joint procurement portal on which the agencies' procurement plans are shared;
4. Welcomes the progress made on the external evaluation of the Centre's business model, which was carried out in 2017; calls on the Centre to report to the discharge authority on the outcome of the final evaluation;

#### ***Staff policy***

5. Notes that, on 31 December 2018, the establishment plan was 94,82 % filled, with 50 officials and 133 temporary agents appointed out of 55 officials and 138 temporary agents authorised under the Union budget (compared to 195 authorised posts in 2017); notes that, in addition, 23 contract agents were working for the Centre in 2018;

#### ***Procurement***

6. Notes that, according to the Court's report, by the end of 2018 the Centre had introduced e-invoicing but had not yet introduced e-tendering and e-submission tools launched by the Commission to introduce a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement); calls on the Centre to introduce all the necessary tools to manage procurement procedures and to report to the discharge authority on their implementation;

#### ***Prevention and management of conflicts of interest and transparency***

7. Notes that the Centre opted for the publication of only declarations of interests, without CVs, due to the management problems associated with the size of its management board (approximately 130 members and alternate members); notes that the director's CV and declaration of interests are published on the Centre's website; notes that the Centre considers that risks associated with conflict of interests are very low due to the nature of its business;
8. Notes that, although the Centre is not fee-financed, it depends on revenue received from its clients, who are represented on the Centre's management board, and that there is therefore a high risk of conflicts of interests regarding the pricing of the Centre's products which could be remedied if the Commission collected the fees on behalf of the Centre's clients, leading to the Centre being fully funded from the Union budget; acknowledges the Centre's comment that the possibility of being funded from the Union budget would require an agreement between the Commission and the budgetary authority; calls on the Centre to report to the discharge authority on measures taken in order to mitigate such a risk;

#### ***Other comments***

9. Notes the launch, in 2018, of the new version of the InterActive Terminology for Europe database intended to increase the Centre's public visibility and online presence;



10. Regrets the fact that the European Union Intellectual Property Office (EUIPO) decided, on 26 April 2018, to terminate the translation arrangement it concluded with the Centre, despite its legal obligation to avail of the services of the Centre, as provided for in Article 148 of Regulation (EU) 2017/1001<sup>2</sup>, which established the EUIPO; takes note of the legal action brought before the General Court by the Centre on 6 July 2018 and of the closure of the oral phase of the hearing on 4 June 2019; notes that a new arrangement for two years only was signed on 7 December 2018 between the Centre and EUIPO; calls on the Centre to keep the discharge authority updated on the developments of the legal proceedings;

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11. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of ... March 2020<sup>3</sup> on the performance, financial management and control of the agencies.

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<sup>2</sup> Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (OJ L 154, 16.6.2017, p. 1).

<sup>3</sup> Texts adopted, P9\_TA-PROV(2020)0000.