

**2004 discharge: European Centre for the Development of Vocational Training**

**1. European Parliament decision on the discharge for the implementation of the budget of the European Centre for the Development of Vocational Training for the financial year 2004 (N6-0001/2005 – C6-0158/2005 – 2005/2106(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2004<sup>1</sup>,
- having regard to the Court of Auditors' report on the annual accounts of the European Centre for the Development of Vocational Training for the financial year 2004, together with the Centre's replies<sup>2</sup>,
- having regard to the Council's recommendation of 14 March 2006 (5972/2006 - C6-0093/2006),
- having regard to the EC Treaty, and in particular Article 276 thereof,
- 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>3</sup>, and in particular Article 185 thereof,
- having regard to Council Regulation (EEC) No 337/75 of 10 February 1975 establishing a European Centre for the Development of Vocational Training<sup>4</sup>, and in particular Article 12a 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>5</sup>, and in particular Article 94 thereof,
- having regard to Rule 71 of and Annex V to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A6-0094/2006),

---

<sup>1</sup> OJ C 269, 28.10.2005, p. 29.

<sup>2</sup> OJ C 332, 28.12.2005, p. 60.

<sup>3</sup> OJ L 248, 16.9.2002, p. 1.

<sup>4</sup> OJ L 39, 13.2.1975, p. 1. Regulation as last amended by Regulation (EC) No 2051/2004 (OJ L 355, 1.12.2004, p. 1).

<sup>5</sup> OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

1. Grants discharge to the Director of the European Centre for the Development of Vocational Training for the implementation of the Centre's budget for the financial year 2004;
2. Sets out its comments 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 Centre for the Development of Vocational Training, the Council, the Commission and the Court of Auditors and to have them published in the Official Journal of the European Union (L series).

## **2. European Parliament decision on the closure of the accounts of the European Centre for the Development of Vocational Training for the financial year 2004 (N6-0001/2005 – C6-0158/2005 – 2005/2106(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2004<sup>1</sup>,
  - having regard to the Court of Auditors' report on the annual accounts of the European Centre for the Development of Vocational Training for the financial year 2004, together with the Centre's replies<sup>2</sup>,
  - having regard to the Council's recommendation of 14 March 2006 (5972/2006 - C6-0093/2006),
  - having regard to the EC Treaty, and in particular Article 276 thereof,
  - 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>3</sup>, and in particular Article 185 thereof,
  - having regard to Council Regulation (EEC) No 337/75 of 10 February 1975 establishing a European Centre for the Development of Vocational Training<sup>4</sup>, and in particular Article 12a 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>5</sup>, and in particular Article 94 thereof,
  - having regard to Rule 71 of and Annex V to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary (A6-0094/2006),
1. Notes the following figures for the accounts of the European Centre for the Development of Vocational Training for the financial years 2004 and 2003:

---

<sup>1</sup> OJ C 269, 28.10.2005, p. 29.

<sup>2</sup> OJ C 332, 28.12.2005, p. 60.

<sup>3</sup> OJ L 248, 16.9.2002, p. 1.

<sup>4</sup> OJ L 39, 13.2.1975, p. 1. Regulation as last amended by Regulation (EC) No 2051/2004 (OJ L 355, 1.12.2004, p. 1).

<sup>5</sup> OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

## Revenue and expenditure account for the financial years 2004 and 2003 (in EUR 1000)

	2004	2003
<b>Revenue</b>		
Commission subsidies	13 700	14 500
Revenue from previous financial years	0	0
Miscellaneous revenue	42	3
Assigned revenue (Phare and third countries)	724	792
Financial revenue	0	0
<b>Total revenue (a)</b>	<b>14 466</b>	<b>15 295</b>
<b>Budgetary expenditure for the financial year</b>		
<i>Staff— Title I of the budget</i>		
Payments	8 579	7 554
Appropriations carried over	466	443
<i>Administration — Title II of the budget</i>		
Payments	768	778
Appropriations carried over	542	358
<i>Operating activities — Title III of the budget (except for assigned revenue)</i>		
Payments	2 508	2 381
Payments against RAL (outstanding commitments) at 31.12.2003	2 702	
Appropriations carried over	0	3 138
<i>Assigned revenue (Phare and third countries)</i>		
Payments	416	546
Appropriations carried over	309	246
<b>Total expenditure (b)</b>	<b>16 290</b>	<b>15 444</b>
<b>Outturn for the financial year (a - b)</b>	<b>- 1 824</b>	<b>- 149</b>
Balance carried over from the previous financial year	- 993	- 545
Appropriations carried over and cancelled	56	399
Neutralisation of the carry-over n-1 in Title 3 linked to the change to differentiated appropriations	3 138	
Sums for reuse from the previous financial year not used	1	10
Refunds to the Commission		- 716
Exchange-rate differences	- 4	8
<b>Balance for the financial year</b>	<b>374</b>	<b>- 993</b>

2. Approves the closure of the accounts of the European Centre for the Development of Vocational Training for the financial year 2004;
3. Instructs its President to forward this decision to the Director of the European Centre for the Development of Vocational Training, the Council, the Commission and the Court of Auditors and to have it published in the Official Journal of the European Union (L series).

**3. European Parliament resolution with comments forming an integral part of the decision on the discharge for the implementation of the budget of the European Centre for the Development of Vocational Training for the financial year 2004 (N6-0001/2005 – C6-0158/2005 – 2005/2106(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2004<sup>1</sup>,
  - having regard to the Court of Auditors' report on the annual accounts of the European Centre for the Development of Vocational Training for the financial year 2004, together with the Centre's replies<sup>2</sup>,
  - having regard to the Council's recommendation of 14 March 2006 (5972/2006 - C6-0093/2006),
  - having regard to the EC Treaty, and in particular Article 276 thereof,
  - 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>3</sup>, and in particular Article 185 thereof,
  - having regard to Council Regulation (EEC) No 337/75 of 10 February 1975 establishing a European Centre for the Development of Vocational Training<sup>4</sup>, and in particular Article 12a 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>5</sup>, and in particular Article 94 thereof,
  - having regard to Rule 71 of and Annex V to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A6-0094/2006),
- A. whereas the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2004 were reliable and that,

---

<sup>1</sup> OJ C 269, 28.10.2005, p. 29.

<sup>2</sup> OJ C 332, 28.12.2005, p. 60.

<sup>3</sup> OJ L 248, 16.9.2002, p. 1.

<sup>4</sup> OJ L 39, 13.2.1975, p. 1. Regulation as last amended by Regulation (EC) No 2051/2004 (OJ L 355, 1.12.2004, p. 1).

<sup>5</sup> OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

except for a number of irregularities noted in the award of contracts, the underlying transactions, taken as a whole, were legal and regular,

- B. whereas the Court of Auditors states that it has obtained reasonable assurance from all the agencies, excepting the express reservations in respect of the 2004 financial year concerning the European Agency for Reconstruction, the European Centre for the Development of Vocational Training, the European Training Foundation, the European Monitoring Centre on Racism and Xenophobia and the European Food Safety Authority,
- C. whereas on 12 April 2005 Parliament gave discharge to the Director in respect of the implementation of the Centre's budget for the 2003 financial year<sup>1</sup> and in its resolution containing the comments accompanying the discharge decision<sup>2</sup> it *inter alia* urged the Centre to complete changes to its financial organisation during 2005,
1. Recalls that, under Article 185 of the Financial Regulation, Parliament shall give discharge for the implementation of the budgets of the bodies set up by the Communities and having legal personality which actually receive grants charged to the budget; points out, however, that not all of these bodies are fully, or even partially, funded via grants charged to the budget; emphasises that the discharge decision therefore covers both the budget and the non-budget funding of these bodies; considers it unacceptable that some of the bodies set up by the Union are accountable for the expenditure of income received from sources other than the budget whilst others, which do not receive a subsidy from the budget, are not; affirms the principle that all Community agencies, whether or not they are subsidised, are subject to discharge by Parliament, even when another discharge authority intervenes in accordance with their basic texts; takes the view that there is a need to review all texts that go against this principle;
  2. Finds table 1 of the Court of Auditors' report, introduced for the first time during the 2003 discharge exercise, which summarises the Centre's powers and responsibilities, governance, resources, activities and services provided, of great value; notes that the information contained in table 1 is supplied by the Centre; asks the Court to verify the contents of table 1;
  3. Insists that as well as spending money properly, agencies should also strive to spend money as efficiently and effectively as possible; invites the Court of Auditors to consider the possibility of extending its specific annual reports on the agencies to include an examination of performance and achievement of objectives; in this context and in line with its resolutions on the 2003 discharge, insists that the following aspects be taken into account: that duplication of work among the agencies must be avoided as much as possible and that measures designed to improve transparency and communication with the public must be clarified, along with Community affirmative action measures at all levels of recruitment, training and the assignment of responsibilities;
  4. Notes that Community agencies do not always have a good image or good press and that many of them do not deserve such a negative image; points out that EU citizens should be made aware of this, with appropriate means being used to explain as often as is necessary the *raisons d'être* and achievements of the agencies; calls on the Commission to act

---

<sup>1</sup> OJ L 196, 27.7.2005, p. 68.

<sup>2</sup> OJ L 196, 27.7.2005, p. 69.

accordingly, using whatever means it considers necessary;

5. Notes that the enlargement of the European Union in 2004 has affected the structures and operating arrangements of the Community agencies in many ways, and that several of the agencies draw attention to these effects in their activity reports, focusing in particular on the increase in the number of administrators; calls on the Commission to assess the real or supposed problems encountered and to recommend the regulatory changes required;
6. Notes that the Commission has made a commitment to harmonising the way in which activity reports concerning its directorates-general are presented; calls for a similar approach to be taken in respect of the activity reports of the Communities' agencies, which differ significantly in terms of content; calls on the Commission to point out to the Communities' agencies the information and activity indicators that they must provide;
7. Urges the Centre to adapt future budgets to ensure that differentiated appropriations are properly presented;
8. Is pleased to note the significant reduction in carryovers achieved by the Centre in 2004 compared to previous years, allowing the budget implemented by the Centre to reflect more closely the budget approved by the budgetary authority;
9. Stresses that the Centre must ensure that the accounts are complete and that all activities, including the staff canteen's purchases and sales, are properly monitored;
10. Is concerned by the irregularities noted by the Court of Auditors in the contract award procedure; notes the steps taken by the Centre to ensure that such irregularities will not be repeated; calls on the Centre to ensure that tendering specifications and competition rules are strictly applied;
11. Notes the Court of Auditors' comments on inconsistencies in recruitment procedure; stresses the need for fairness, openness and transparency in recruitment; welcomes the Centre's intention to prepare a guide on recruitment procedures in 2005;
12. Notes the Centre's observation in the comments accompanying the 2004 annual accounts that "not all stages of the modernisation process have been completed"; expects a fuller report accompanying the 2005 accounts confirming whether changes to its financial organisation have been completed and, if this is not the case, explaining why this is so, and what remains to be done and indicating the expected timetable for completion;
13. Welcomes the information supplied on internal audits; notes the recommendation of the Governing Board in its opinion on the 2004 accounts that the Centre ensure full implementation of the internal control standards; asks the Centre to report on progress in this regard in its report on the 2005 accounts, as well as on progress in establishing a specific internal audit function and in recruiting its own internal auditor;
14. Calls on the Commission to help the agencies follow as closely as possible the work plan agreed for the year ahead, allowing activities to be properly planned and implemented, and particularly to avoid major, last-minute changes to the work load;

15. Asks the Commission to improve synergies between agencies by making cooperation more effective, avoiding duplication of work and addressing shortcomings, in particular as regards common areas such as training, the implementation of Community policies across the board, the use of the latest management systems and solving problems relating to sound management of the budget.