



Procedure file

Basic information		
DEC - Discharge procedure	2007/2046(DEC)	Procedure completed
2006 discharge: European Centre for the Development of Vocational Training Cedefop		
Subject 8.70.03.07 Previous discharges		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	CONT Budgetary Control		27/03/2007
		NI MARTIN Hans-Peter	
	Committee for opinion	Rapporteur for opinion	Appointed
	EMPL Employment and Social Affairs		17/12/2007
		PSE MADEIRA Jamila	
Council of the European Union	Council configuration	Meeting	Date
	Economic and Financial Affairs ECOFIN	2847	12/02/2008
European Commission	Commission DG	Commissioner	
	Budget	KALLAS Siim	

Key events			
30/03/2007	Non-legislative basic document published	SEC(2007)1055	Summary
25/10/2007	Committee referral announced in Parliament		
26/03/2008	Vote in committee		Summary
03/04/2008	Committee report tabled for plenary	A6-0110/2008	
22/04/2008	Results of vote in Parliament		
22/04/2008	Debate in Parliament		
22/04/2008	Decision by Parliament	T6-0144/2008	Summary
22/04/2008	End of procedure in Parliament		
31/03/2009	Final act published in Official Journal		

Technical information

Procedure reference	2007/2046(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 100
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/53855

Documentation gateway

Non-legislative basic document		SEC(2007)1055	30/03/2007	EC	Summary
Court of Auditors: opinion, report		N6-0004/2008 OJ C 309 19.12.2007, p. 0001	15/11/2007	CofA	Summary
Supplementary non-legislative basic document		05843/2008	29/01/2008	CSL	Summary
Committee draft report		PE396.688	13/02/2008	EP	
Committee opinion	EMPL	PE400.445	05/03/2008	EP	
Amendments tabled in committee		PE402.801	06/03/2008	EP	
Committee report tabled for plenary, single reading		A6-0110/2008	03/04/2008	EP	
Text adopted by Parliament, single reading		T6-0144/2008	22/04/2008	EP	Summary
Commission response to text adopted in plenary		SP(2008)3169	28/05/2008	EC	

Final act

[Budget 2009/201](#)
[OJ L 088 31.03.2009, p. 0109](#) Summary

2006 discharge: European Centre for the Development of Vocational Training Cedefop

PURPOSE: presentation of the final accounts of the European Centre for the Development for vocational training (Cedefop) for the financial year 2006.

CONTENT: this document sets out a detailed account of the implementation of the 2006 budget, including the revenue and expenditure and the balance sheet for the year concerned.

According to this document, the final budget amounted to EUR 17.6 million (compared to EUR 17.1 million in 2005) representing a 95% Community contribution.

As regards the staffing policy, the Centre, which is based in Thessaloniki (Greece), officially set out 95 posts in the establishment plan. 81 of these positions are currently occupied with + 42 other staff (contract staff and seconded national experts) totalling 123 assigned to operational, administrative and mixed tasks. Staff expenditure in 2006 amounted to EUR 8.145 million (paid appropriations).

During 2006, the Centre mainly focused on the following information activities:

- Cedefop's report to the ministerial conference in Helsinki, assessing progress in achieving the Copenhagen-Maastricht objectives for the enhancement of European cooperation in vocational education and training (VET). Cedefop prepared the background document for the Helsinki communiqué;
- the 4th research report, focussing on modernisation of VET, was prepared. It comprises research findings on reform, innovation of VET, social cohesion, and skill demand;
- an Agora conference and publication on older workers and lifelong learning provided a comprehensive view on an increasingly important issue. In regard to the identification of skill needs Cedefop concentrated 2006 on methods for the forecasting of skill needs in preparation of a medium term skill needs forecast for all Member States. The European Journal of vocational education (3 issues were published, as in 2005) improved in scientific quality and contributes to the quality of research in VET;
- contribution to clusters and working groups of the EC under the Education and Training 2010 program on learning outcomes and validation of non-formal learning, quality assurance, lifelong guidance, teachers and trainers, the European qualifications framework and the European Credit transfer system. Like Europass, these are examples of European approaches and instruments to create a

European area of VET. Europass (Cedefop provides major input and cooperates with EC) is a successful initiative which is used and accepted by a rapidly increasing number of European citizens. By the end of 2006 over a million CV templates had been downloaded and almost one million CVs have been generated on line;

- the Leonardo Da Vinci study visits programme, the cooperation with social partners and sectoral approaches to VET are other examples of Cedefop's contribution to the development of VET in the EU;

Besides continuation of close co-operation with the European Training Foundation in the familiarisation of acceding/candidate countries and beyond, Cedefop has entered into a formal co-operation with the Foundation on living and working conditions to strengthen synergies. A revamped website, increased work with the press and continued activities of documentation (ISO certified) and publication ? online and in hard copy ? have helped to raise the visibility of Cedefop and awareness of VET issues.

Some data: in 2006, the Centre organised:

- 24 conferences and seminars,
- 24 work shops,
- 21 presentations/visits to Cedefop were organised in 2006;
- 43 publications were published,
- the number of registered users of the electronic training village (ETV) increased to 64 828 (60 440 in 2005),
- work proceeded on 36 projects,
- study visits: 844 participants.

The complete version of the final accounts may be found at the following address:
<http://www.CEDEFOP.europa.eu/index.asp?section=4&sub=4>

2006 discharge: European Centre for the Development of Vocational Training Cedefop

The Committee on Budgetary Control adopted the report by Hans-Peter MARTIN (NI, AT) recommending that the Parliament grant the Director of the European Centre for the Development of Vocational Training discharge in respect of the implementation of the Centre's budget for the financial year 2006.

The parliamentary committee notes that the final annual accounts of the European Centre for the Development of Vocational Training are as annexed to the Court of Auditors report.

MEPs make a series of general comments on the EU agencies before focusing on the individual case of the Centre.

1) General comments on the majority of EU agencies: MEPs note that the budgets of the 24 agencies and other satellite bodies audited by the Court of Auditors totalled more than EUR 1 billion and that the number of agencies is constantly increasing. The number of agencies subject to the discharge procedure evolved from 8 in 2000 to 20 in 2006. They conclude therefore that the auditing/discharge process has become cumbersome and disproportionate compared to the relative size of the agencies and that, in the future, this type of procedure should be simplified and rationalised for decentralised agencies.

On the basis of the financial analysis, MEPs are of the following opinion:

- Fundamental considerations: given the constantly increasing number of agencies, MEPs request that, before the creation of a new agency, the Commission provide clear explanations regarding agency type, objectives of the agency, internal governance structure, products, services, clients and stakeholders of the agency, formal relationship with external actors, budget responsibility, financial planning, and personnel and staffing policy. They also request that each agency be governed by a yearly performance agreement which should contain the main objectives for the coming year and that the performance of the agencies be regularly audited by the Court of Auditors (and extend the financial analysis of expenditure to also cover administrative efficiency and effectiveness). More generally, MEPs take the view that, in the case of agencies, which are continually overestimating their respective budget needs, technical abatement should be made on the basis of vacant posts in order to reduce the assigned revenue for the agencies and therefore also lower administrative costs of the EU. They recall that it is a serious problem that a number of agencies is criticised for not following rules on public procurement, the Financial Regulation, the Staff Regulations etc., and consider that the principal reason for this is that most regulations and the Financial Regulation are designed for bigger institutions rather than for small agencies. Therefore, it is necessary to seek a rapid solution in order to enhance the effectiveness of the legislation by grouping the administrative functions of various agencies together or by establishing implementing rules which are better adapted to the agencies. MEPs also insist that the Commission, when drafting the Preliminary Draft Budget, take into consideration the results of budget implementation by the individual agencies in former years and revise the budget requested by the particular agency accordingly. If the Commission does not undertake this revision, MEPs invite the competent committee to revise, itself, the budget in question to a realistic level. At the same time, MEPs recall that they expect the Commission to present every five years a study on the added value of every existing agency and to not hesitate to close an agency if it is deemed useless by the analysis. Such an assessment is expected as soon as possible given that this type of assessment has yet to be presented. Furthermore, MEPs insist that recommendations of the Court of Auditors should be promptly implemented and the level of subsidies paid to the agencies should be aligned with their real cash requirements.
- Presentation of reporting data: noting that there is no standard approach among the agencies with regard to the presentation of information, MEPs recall that they already invited the directors of the agencies to accompany their annual activity report with a declaration of assurance concerning the legality and regularity of operations, similar to the declarations signed by the Directors General of the Commission. They therefore ask the Commission to amend its standing instructions to the agencies and to produce a harmonised model for presenting information, including: i) an annual report intended for a general readership on the body's operations, work and achievements; ii) financial statements and a report on implementation of the agency's budget; iii) an activity report of the Directors of the agency (as requested by the Parliament since 2005); iv) a declaration of assurance signed by the body's director.
- General findings by the Court of Auditors: MEPs refer to certain recurring findings by the Court, including the disbursement of subsidies paid by the Commission (not sufficiently justified estimates of the agencies' cash requirements), the non implementation of the ABAC accounting system by some agencies or the accrued charges for untaken leave which are accounted for by some agencies.

They call for rapid measures in these areas as well as improvements to the internal audit procedures of the agencies. MEPs also call on the agencies to consider an inter-agency disciplinary board, as some individual agencies have difficulty in setting up their own disciplinary boards due to their size.

- Draft inter-institutional agreement: MEPs recall the Commission's draft Interinstitutional agreement on the operating framework for the European regulatory agencies (see [ACI/2005/2035](#)), which intended to create a framework for the creation, structure, operation, evaluation and control of the European regulatory agencies and insist that it be completed as soon as possible. They particularly welcome the Commission's commitment to bring forward a Communication on the future of the regulatory agencies during the course of 2008.

2) Specific points concerning the European Centre for the Development of Vocational Training: MEPs express their satisfaction at the proper implementation of the Centre's budget for the financial year 2006 and for its endeavours to strengthen its internal supervision system. However, they regret that the Court expressed reservations regarding its statement of assurance of the Centre's accounts, and recall that last year the Court had expressed reservations concerning certain aspects of the Centre's internal management (see [DEC/2006/2153](#)).

They recall that, this year, the Court had criticised many factors, concerning:

- a high proportion of appropriations carried over or cancelled, together with a high number of budget transfers;
- the absence of a suitable inventory procedure for identifying, registering and capitalising assets;
- incomplete documentation of internal control processes;
- the absence of a legal basis for the reimbursement of school fees for children of some of the Centre's agents;
- a lack of effective control as to whether documents submitted by job applicants in support of their professional experience offer genuine proof;
- irregularities in procurement procedures.

While welcoming the efforts undertaken in 2006 to improve the internal control environment and implement the audit recommendations, MEPs await vigorous measures on the Centre's behalf to reduce risk to a minimum. They welcome the 2007 annual management plan, which includes a systematic ex-ante risk management mechanism for the first time.

At the same time, MEPs note the creation of a framework for cooperation between the Centre and the European Foundation for the Improvement of Living and Working Conditions with the aim of ensuring the use of available research funding in areas of common interest.

2006 discharge: European Centre for the Development of Vocational Training Cedefop

The European Parliament adopted, by 631 votes in favour, 19 against and 41 abstentions, a Decision to grant the Director of the European Centre for the Development of Vocational Training discharge in respect of the implementation of its budget for the financial year 2006. The decision to grant discharge also constitutes closure of the accounts of this EU agency.

At the same time, the Parliament adopted by 632 votes in favour, 16 against and 43 abstentions, a Resolution containing the comments which form part of the decision giving discharge. The report had been tabled at the plenary by Hans-Peter MARTIN (NI, AT) on behalf of the Committee on Budgetary Control.

As is the case for all EU agencies, the Parliament's Resolution is divided into two parts: part one contains general comments on EU agencies, while part two focuses on the specific case of the Centre.

1) General comments on the majority of EU agencies: the Parliament notes that the budgets of the 24 agencies and other satellite bodies audited by the Court of Auditors totalled more than EUR 1 billion and that the number of agencies is constantly increasing. The number of agencies subject to the discharge procedure evolved from 8 in 2000 to 20 in 2006. The Parliament concludes, therefore, that the auditing/discharge process has become cumbersome and disproportionate compared to the relative size of the agencies and that, in the future, this type of procedure should be simplified and rationalised for decentralised agencies.

On the basis of the financial analysis, the Parliament is of the following opinion:

- Fundamental considerations: given the constantly increasing number of agencies, the Parliament requests that, before the creation of a new agency, the Commission provide clear explanations regarding agency type, objectives of the agency, internal governance structure, products, services, clients and stakeholders of the agency, formal relationship with external actors, budget responsibility, financial planning, and personnel and staffing policy. It also requests that each agency be governed by a yearly performance agreement which should contain the main objectives for the coming year and that the performance of the agencies be regularly audited by the Court of Auditors (and extend the financial analysis of expenditure to also cover administrative efficiency and effectiveness). More generally, the Parliament takes the view that, in the case of agencies, which are continually overestimating their respective budget needs, technical abatement should be made on the basis of vacant posts in order to reduce the assigned revenue for the agencies and therefore also lower administrative costs of the EU. It recalls that it is a serious problem that a number of agencies is criticised for not following rules on public procurement, the Financial Regulation, the Staff Regulations etc., and considers that the principal reason for this is that most regulations and the Financial Regulation are designed for bigger institutions rather than for small agencies. Therefore, it is necessary to seek a rapid solution in order to enhance the effectiveness of the legislation by grouping the administrative functions of various agencies together or by establishing implementing rules which are better adapted to the agencies. The Parliament also calls on the Commission, when drafting the Preliminary Draft Budget, to take into consideration the results of budget implementation by the individual agencies in former years and revise the budget requested by the particular agency accordingly. If the Commission does not undertake this revision, the Parliament invites the competent committee to revise, itself, the budget in question to a realistic level. At the same time, the Parliament recalls that it expects the Commission to present every five years a study on the added value of every existing agency and to not hesitate to close an agency if it is deemed useless by the analysis. Such an assessment is expected as soon as possible given that this type of assessment has yet to be presented. Furthermore, the Parliament insists that recommendations of the Court of Auditors should be promptly implemented and the level of subsidies paid to the agencies should be aligned with their real cash requirements.
- Presentation of reporting data: noting that there is no standard approach among the agencies with regard to the presentation of information, the Parliament recalls that it already invited the directors of the agencies to accompany their annual activity report with a

declaration of assurance concerning the legality and regularity of operations, similar to the declarations signed by the Directors General of the Commission. The Parliament therefore asks the Commission to amend its standing instructions to the agencies and to produce a harmonised model for presenting information, including: i) an annual report intended for a general readership on the body's operations, work and achievements; ii) financial statements and a report on implementation of the agency's budget; iii) an activity report of the Directors of the agency (as requested by the Parliament since 2005); iv) a declaration of assurance signed by the body's director.

- General findings by the Court of Auditors: the Parliament refers to certain recurring findings by the Court, including the disbursement of subsidies paid by the Commission (not sufficiently justified estimates of the agencies' cash requirements), the non implementation of the ABAC accounting system by some agencies or the accrued charges for untaken leave which are accounted for by some agencies. It calls for rapid measures in these areas as well as improvements to the internal audit procedures of the agencies. The Parliament also calls on the agencies to consider an inter-agency disciplinary board, as some individual agencies have difficulty in setting up their own disciplinary boards due to their size.
- Draft inter-institutional agreement: the Parliament recalls the Commission's draft Interinstitutional agreement on the operating framework for the European regulatory agencies (see [ACI/2005/2035](#)), which was intended to create a framework for the creation, structure, operation, evaluation and control of the European regulatory agencies and awaits its adoption as soon as possible. It particularly welcomes the Commission's commitment to bring forward a Communication on the future of the regulatory agencies during the course of 2008.

2) Specific points concerning the European Centre for the Development of Vocational Training: the Parliament expresses its satisfaction at the proper implementation of the Centre's budget for the financial year 2006 and for its endeavours to strengthen its internal supervision system. However, it regrets that the Court expressed reservations regarding its statement of assurance of the Centre's accounts, and recalls that last year the Court had expressed reservations concerning certain aspects of the Centre's internal management (see [DEC/2006/2153](#)).

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2006 discharge: European Centre for the Development of Vocational Training Cedefop

PURPOSE: to grant discharge to the European Centre for the Development of Vocational Training for the financial year 2006.

LEGISLATIVE ACT: Decision 2009/201/EC of the European Parliament on the discharge for the implementation of the budget of the European Centre for the Development of Vocational Training for the financial year 2006.

CONTENT: with the present decision, the European Parliament 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 2006.

This decision is in line with the European Parliament's resolution adopted on 22 April 2008 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 22/04/2008).