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*Plenary sitting*

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**A8-0084/2016**

7.4.2016

# 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 2014  
(2015/2170(DEC))

Committee on Budgetary Control

Rapporteur: Derek Vaughan

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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 2014 (2015/2170(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 2014,
- 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 2014, together with the Centre's replies<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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0068/2016),
- 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 Council Regulation (EC) No 2965/94 of 28 November 1994 setting up a Translation Centre for bodies of the European Union<sup>4</sup>, and in particular Article 14 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>,
- 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 Council<sup>6</sup>, and in particular Article 108 thereof,

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<sup>1</sup> OJ C 409, 9.12.2015, p. 33.

<sup>2</sup> OJ C 409, 9.12.2015, p. 33.

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

<sup>4</sup> OJ L 314, 7.12.1994, p. 1.

<sup>5</sup> OJ L 357, 31.12.2002, p. 72.

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

- having regard to Rule 94 of and Annex V to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0084/2016),
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 2014;
  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 2014  
(2015/2170(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 2014,
- 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 2014, together with the Centre's replies<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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0068/2016),
- 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 Council Regulation (EC) No 2965/1994 of 28 November 1994 setting up a Translation Centre for Bodies of the European Union<sup>4</sup>, and in particular Article 14 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>,
- 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 Council<sup>6</sup>,

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<sup>1</sup> OJ C 409, 9.12.2015, p. 33.

<sup>2</sup> OJ C 409, 9.12.2015, p. 33.

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

<sup>4</sup> OJ L 314, 7.12.1994, p. 1.

<sup>5</sup> OJ L 357, 31.12.2002, p. 72.

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

and in particular Article 108 thereof,

- having regard to Rule 94 of and Annex V to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0084/2016),
1. Notes that the final annual accounts of the Translation Centre for the Bodies of the European Union are as annexed to the Court of Auditors' report;
  2. Approves the closure of the accounts of the Translation Centre for the Bodies of the European Union for the financial year 2014;
  3. 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 2014  
(2015/2170(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 2014,
  - having regard to Rule 94 of and Annex V to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0084/2016),
- 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 2014 was EUR 56 268 041, representing an increase of 7,81 % compared with 2013;
- 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 2014 (“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;

#### ***Follow-up of 2013 discharge***

1. Acknowledges from the Centre that:
  - a headquarters agreement has been signed between the Centre and the government of the host Member State;
  - it will simplify the access to documentation related to its Management Board as part of the plan to redesign its website for 2017;
  - it has executed two refunds to clients since 2013 for a total of EUR 4 900 000 as part of the measures put in place in order to reduce budget surplus;

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

2. Notes that the budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 79,34 %, representing a decrease of 4,13 % compared to the year 2013; ascertains that the payment appropriations execution rate was at 71,97 %, representing a decrease of 5,71 % compared to the year 2013;
3. Notes from the Court's report that cash and short term deposits held by the Centre further increased from EUR 40 000 000 at the end of 2013 to EUR 44 000 000 at the end of 2014; observes that budgetary surplus and reserves increased from EUR 37 500 000 to EUR 40 400 000, which indicates scope to reduce prices; notes with concern that budget

surplus is a recurring phenomenon for the Centre; acknowledges, however, the positive actions taken by the Centre to invert this trend;

4. Acknowledges from the Centre that its average price per page was reduced by 2 % from 2013 to the second half of 2014; notes, however, that the fee per page for "Revision" increased by 23 % during the same period; calls on the Centre to inform the discharge authority of the criteria which led to the establishment of prices during the financial year 2014; asks that the Centre provide an update on current fees, deposits and surpluses;

#### ***Internal audit***

5. Notes from the Centre that at the start of 2014, five recommendations which were issued by the Commission's Internal Audit Service (IAS) remained open; ascertains from the Centre that it implemented corrective actions and closed two recommendations; notes, furthermore, that the remaining two recommendations rated as "Very Important" and one rated as "Important" were set to be implemented; calls on the Centre to implement these remaining recommendations as soon as possible and to keep the discharge authority informed;

#### ***Internal controls***

6. Notes that the Centre is compliant with 80 % of the Internal Control Standards (ICS) as it made considerable efforts to implement the remaining actions in the ICS Action Plan; notes, furthermore, that the Centre's move to the Drosbach building required considerable redrafting of the Centre's Business Continuity Plan; takes note that the departure of several key members of the Centre's management had a detrimental impact on the timely implementation of the Business Continuity Management which resulted in delayed review and update of the Business Impact Analysis;

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

7. Acknowledges from the Centre that it is in the process of establishing and implementing an anti-fraud strategy based on the European Anti-Fraud Office's (OLAF) "Guidelines for anti-fraud strategies for the EU decentralised agencies"; invites the Centre to share with the discharge authority the advancements achieved in this regard;
8. States that the annual reports of the Centre could play an important role in compliance regarding transparency, accountability and integrity; calls on the Centre to include a standard chapter on these components in its annual report;

#### ***Performance***

9. Notes with satisfaction the synergies created by the Centre through sharing services with other agencies; in particular, commends the cooperation agreement established between the Centre and the European Railway Agency (ERA), by which the Centre hosts ERA's disaster recovery system, allowing the generation of savings as well as the provision of a higher security level to both bodies;
10. Welcomes the Centre's implementation of a common pre-processing approach for Community trademarks with the Office for Harmonisation in the Internal Market (OHIM)



with the aim of sharing translation memories and harmonising respective workflows so as to ensure transparency and efficiency of the process; notes that a final decision could not be reached during the financial year 2014; acknowledges that both agencies agreed to proceed with the project in 2015; supports such agreement and invites the Centre to inform the discharge authority of the developments of this initiative;

### ***Other comments***

11. Notes with satisfaction the Centre's adaptability project, started in 2014, which focuses on enhancing the adaptability of its staff and reducing detected skills gaps; observes that the Centre identified a list of trainers and started the implementation of the identified training actions; observes that the analysis of skills possessed by at least two people in each section performed at the end of 2015 shows that the percentage has considerably increased and is equal to 76,50 % compared to 65,46 % in 2014;
12. Notes with satisfaction the interest of the Centre in improving its translation quality assurance and its client feedback system, as well as the workshop that the Centre organised for freelance translators in order to familiarise them with the Centre's working methods;
13. Acknowledges from the Centre that it implemented a new budget planning and monitoring tool which was used for the preparation of the 2015 budget, a new translation workflow management system "e-CdT" and a new computer-assisted translation tool;
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14. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of [xx xxxx 2016]<sup>1</sup> on the performance, financial management and control of the agencies.

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<sup>1</sup> Texts adopted of that date, P[8\_TA(-PROV)(2016)0000].

## RESULT OF FINAL VOTE IN COMMITTEE RESPONSIBLE

<b>Date adopted</b>	4.4.2016
<b>Result of final vote</b>	+ : 15 - : 4 0 : 0
<b>Members present for the final vote</b>	Louis Aliot, Inés Ayala Sender, Dennis de Jong, Martina Dlabajová, Ingeborg Gräßle, Verónica Lope Fontagné, Monica Macovei, Dan Nica, Gilles Pargneaux, Georgi Pirinski, Petri Sarvamaa, Claudia Schmidt, Bart Staes, Marco Valli, Derek Vaughan, Anders Primdahl Vistisen, Tomáš Zdechovský
<b>Substitutes present for the final vote</b>	Marian-Jean Marinescu
<b>Substitutes under Rule 200(2) present for the final vote</b>	Bodil Valero