



Plenary sitting

A8-0106/2018

26.3.2018

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 2016
(2017/2153(DEC))

Committee on Budgetary Control

Rapporteur: Bart Staes

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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 2016 (2017/2153(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 2016,
- 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 2016, 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2016 (05941/2018 – C8-0063/2018),
- 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 2965/1994 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 and the opinion of the Committee on Culture and Education (A8-0106/2018),

¹ OJ C 417, 6.12.2017, p. 37.

² OJ C 417, 6.12.2017, p. 37.

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 2016;
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 2016
(2017/2153(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 2016,
- 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 2016, 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2016 (05941/2018 – C8-0063/2018),
- 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 2965/1994 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 and the opinion of the Committee on Culture and Education (A8-0106/2018),

¹ OJ C 417, 6.12.2017, p. 37.

² OJ C 417, 6.12.2017, p. 37.

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 2016;
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 2016 (2017/2153(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 2016,
 - 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 and the opinion of the Committee on Culture and Education (A8-0106/2018),
- A. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability and implementing the concept of performance-based budgeting and good governance of human resources;
- B. whereas, according to its statement of revenue and expenditure¹, the final budget of the Translation Centre for the Bodies of the European Union (“the Centre”) for the financial year 2016 was EUR 50 576 283, representing an increase of 2,0 % compared to 2015;
- C. 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 2016 (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 the 2015 discharge

1. Strongly regrets that the Centre does not yet have a business continuity plan in place according to the Court’s comment and thus is not complying with Internal Control Standard 10; urges the Centre to inform the discharge authority about further action;

Budget and financial management

2. Notes that the budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 89,37 %, representing an increase of 1,21 % compared to the previous year; observes that the payment appropriations execution rate was at 82,19 %, representing an increase of 3,66 % compared to the previous year;
3. Notes that, according to the Court’s report in 2016, cash and short term deposits held by the Centre decreased to EUR 34 200 000 (compared to EUR 38 300 000 at the end of 2015) and reserves decreased to EUR 31 100 000 (compared to EUR 34 000 000 at the

¹ OJ C 443, 29.11.2016, p.10.

end of 2015); notes that this decrease results from a budgetary approach which intends to reduce the accumulated surplus from previous years; acknowledges that, according to the Centre, it envisages that the decrease of the budgetary surpluses will be further accelerated in 2017 as a result of the implementation of the new pricing structure that will decrease the average price for translation paid by the Centre's clients;

Commitments and carry-overs

4. Notes that the Centre slightly reduced the overall rate of committed appropriations carried over to the following year from 9,63% in 2015 to 7,56% in 2016, representing a 2,07% decrease; takes note that the high execution of expenses is largely due to the expenditure in Title 1, where 97,80% of the budget was used;
5. Notes out that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annularity, in particular if they are planned in advance by the Centre and communicated to the Court; points out, however, that the high share of cancelled carry-overs (10%) could be considered a sign of inaccurate budget planning;

Staff policy

6. Observes that, according to the establishment plan, 195 posts (out of 197 posts authorised under the Union budget) were occupied in 2016, the same figure as it was in 2015; notes with concern that, based on the number of posts occupied on 31 December 2016, the gender imbalance was 61,64 % female to 38,36 % male in 2016, a ratio imbalance of almost two to one; recommends that this imbalance should be addressed and redressed as soon as possible;
7. Notes that the Centre has so far complied with the target of a 5% staff reduction (plus 5% as a "cruising speed" agency) from 2014 to 2018; insists that the Centre must have the resources required to deliver a first-class translation and language service; advises against future cuts to the Centre's budget or establishment plan;
8. Stresses that the work-life balance should be part of the staff policy of the Centre; notes that the budget spent on well-being activities amounts to EUR 13 754; observes that the average number of sick leave days taken per staff was 13,04 days in 2016;
9. Recalls that the Centre adopted a decision concerning psychological and sexual harassment in 2009; supports trainings and information sessions organised to increase the awareness of psychological and sexual harassment amongst staff;
10. Notes with satisfaction that the Centre did not receive any complaints, law-suits or reported cases linked to the hiring or dismissal of staff in 2016;

Prevention and management of conflicts of interest, transparency and democracy

11. Acknowledges that the Centre's anti-fraud strategy was adopted by its management board in October 2016 and that the Centre will include a chapter regarding transparency, accountability and integrity in its 2017 annual report;

12. Notes with concern that the Centre opted to publish the declarations of interest without curricula vitae due to management problems associated pertaining to the size of its management board (approximately 130 members and alternate members); notes that the director's declaration of interests and curricula vitae are published on the Centre's website;
13. Appreciates that the Centre had no conflict of interest case in 2016;
14. Notes with satisfaction that the Centre has adopted internal rules on whistleblowing in 2008 and modified them in 2014; notes that there were no whistleblower cases in the Centre in 2016;
15. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistleblowers use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;
16. Regrets that the Centre does not make the minutes of its management board meetings public; calls on the Centre to change its policy;
17. Takes note of the Centre's grounds for refusal to access documents; expects the Centre to use in the most lawful and regular manner the possibility to refuse access to documents while protecting confidential or personal data confidential;

Main achievements

18. Welcomes the three main achievements identified by the Centre in 2016, namely:
 - the Centre developed its Strategy 2016-2020 which was adopted by its management board;
 - the Centre's new workflow management system (eCdT) was successfully deployed to the Centre's clients;
 - the Centre developed a new pricing structure for the translation of documents which resulted in the Centre's clients achieving savings based on the reuse of content stored in the Centre's translation memories;
19. Strongly regrets however that the Centre does not use impact indicators, outcome indicators, or input indicators for its programming documents; notes that the Centre does not perform systematic ex ante assessments for planning and controls, and furthermore calls on the Centre to use systematic ex-post evaluations to measure its performance;

Internal Audit

20. Notes from the Centre that the Commission's Internal Audit Service (IAS) performed a follow-up audit on the Centre's business continuity management and the management

of the workflow for translation of documents; observes that all recommendations, except for three, which shall be dealt with in 2017, had been adequately and effectively implemented; notes that significant progress was made with the establishment of the business continuity plans which partially mitigate the risks identified and therefore downgraded the level of importance of the recommendation from ‘very important’ to ‘important’; notes furthermore that the IAS acknowledged the ongoing development of the new translation workflow management system, eCdT, but considered that several elements still needed to be finalised before that ‘important’ recommendation could be considered fully implemented; calls on the Centre to report to the discharge authority on the implementation of the IAS recommendations;

Performance

21. Notes the review of the client satisfaction system in order to develop a more effective process for engaging with clients; welcomes the new approach which was presented to six clients in September 2016, namely the European Union Intellectual Property Office, the European Medicines Agency, the European Chemicals Agency, the European Union Agency for Fundamental Rights, the European Banking Authority and the European Agency for Safety and Health at Work; looks forward to see the streamlined solution that will be fine-tuned and deployed in eCdT during 2017;
22. Expresses its satisfaction that new agreements were signed between the Centre and three entities in 2016, bringing the Centre’s total number of clients to 64; calls on Union agencies and bodies to avoid the duplication of translation services wherever possible by making greater use of the Centre's services;
23. Notes from the Centre’s annual activity report that on the basis of the end-of-year review performed by the Centre’s management, and applying some weighting factors, the overall implementation of the Centre’s amended work programme for 2016 is 79.2 % based on the initial budget and 85 % based on the amending budget;
24. Notes with satisfaction that the Centre adopted a new translation quality assurance action plan (TQAAP) for 2015-2016; takes note that the achievement rate target for the TQAAP in the Centre’s amended work programme for 2016 was set at 100 % and that, by the end of 2016, 98.2 % of the plan was implemented; acknowledges that the focus was placed on the implementation of a new corpus management tool (MultiTrans) and the automation of the information flow on related translation requests via the new workflow tool, eCdT; welcomes the further progress made with the tests carried out with the Centre-specific machine translation engines;
25. Endorses the Centre’s clear commitment to quality, as evidenced through its tough stance on “repeatedly unsatisfactory” translations from external contractors; welcomes its approach to providing ongoing thematic training both for the Centre’s in-house translators and for external contractors as this helps to maintain high quality standards;

Other comments

26. Reiterates its unwavering commitment to multilingualism in the Union as a key platform for engaging with citizens and, as such, as an essential condition for the success of the Union’s democratic system; in this regard, asks the European Parliament

to join the Council and Committee of the Regions and allow translation and interpretation in those languages that have constitutional status at national level¹; welcomes the role that the Centre plays in facilitating the work of the Union's agencies and bodies by delivering high-quality translation and language services;

27. Notes from the Court's report that the Centre's task is to provide the Union agencies and bodies with the translation services necessary for their activities in addition to doing so for the Union institutions which may call on its services; notes moreover that the founding Regulations of most of the agencies and bodies require them to use the Centre's translation services; notes however that several of them (counting for more than half of the Centre's revenue) make increasing use of in house and other alternative solutions, which means that the Centre's capacity is not used to the greatest possible extent and that there is a duplication of systems development and running costs at Union level and that the Centre's business model and continuity could be at risk;
28. Urges the Centre to pursue its efforts to explore innovative language technologies as an aid to its core work; considers that, in developing multilingual terminology sources, such as the IATE database, the Centre helps to ensure that all the official languages of the Union keep pace with emerging concepts;
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29. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of ... 2018² on the performance, financial management and control of the agencies.

¹ The Council and the Committee of the Regions entered into an administrative agreement with the Spanish and the UK government to the effect those languages that have constitutional status at national level such as Catalan, Galician, Basque, Welsh and Scottish Gaelic could be used for a variety of purposes, including translation and interpretation. The budgetary implication for the institutions of the Union is, actually, zero, since all costs resulting from its implementation are assumed by the national level. So far, neither the Council nor the Committee of the Regions have reported problems in implementing the agreement.

² Texts adopted, P8_TA-PROV(2018)0000.

26.1.2018

OPINION OF THE COMMITTEE ON CULTURE AND EDUCATION

for the Committee on Budgetary Control

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 2016
(2017/2153(DEC))

Rapporteur: Bogdan Andrzej Zdrojewski

SUGGESTIONS

The Committee on Culture and Education calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Reiterates its unwavering commitment to multilingualism in the European Union as a key platform for engaging with citizens and, as such, as an essential condition for the success of the Unions's democratic system; welcomes the role that the Translation Centre plays in facilitating the work of the agencies and bodies of the Union by delivering high-quality translation and language services;
2. Expresses its satisfaction that new agreements were signed between the Centre and three entities in 2016, bringing the Centre's total number of clients to 64; calls on Union agencies and bodies to avoid the duplication of translation services wherever possible by making greater use of the Centre's services;
3. Notes that the Centre has so far complied with the target of a 5% staff reduction (plus 5% as a "cruising speed" agency) from 2014 to 2018; insists that the Centre must have the resources required to deliver a first-class translation and language service; advises against future cuts to the Centre's budget or establishment plan;
4. Applauds the Centre's efforts to reduce its budgetary surplus through a reduction in its prices in 2015, with cash and short-term deposits decreasing from EUR 38.3 million in 2015 to EUR 34.2 million in 2016 and reserves from EUR 34 million in 2015 to EUR 31.1 million in 2016; takes note of the Director's statement that a price increase will be inevitable at some stage and calls on the Centre to manage such a price rise in close collaboration with clients;

5. Endorses the Centre's clear commitment to quality, as evidenced through its tough stance on "repeatedly unsatisfactory" translations from external contractors; welcomes its approach to providing ongoing thematic training both for the Centre's in-house translators and for external contractors as this helps to maintain high quality standards;
6. Urges the Centre to pursue its efforts to explore innovative language technologies as an aid to its core work; considers that, in developing multilingual terminology sources, such as the IATE database, the Centre helps to ensure that all the official languages of the Union keep pace with emerging concepts.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	23.1.2018
Result of final vote	+: 27 -: 0 0: 0
Members present for the final vote	Isabella Adinolfi, Dominique Bilde, Andrea Bocskor, Nikolaos Chountis, Silvia Costa, Mircea Diaconu, Damian Dr ghici, Angel Dzhambazki, Jill Evans, María Teresa Giménez Barbat, Petra Kammerevert, Svetoslav Hristov Malinov, Curzio Maltese, Rupert Matthews, Stefano Maullu, Luigi Morgano, John Procter, Michaela Šojdrová, Yana Toom, Helga Trüpel, Sabine Verheyen, Julie Ward, Bogdan Brunon Wenta, Theodoros Zagorakis, Bogdan Andrzej Zdrojewski, Krystyna Łybacka
Substitutes present for the final vote	Algirdas Saudargas

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

27	+
ALDE	Mircea Diaconu, María Teresa Giménez Barbat, Yana Toom
ECR	Angel Dzhambazki, Rupert Matthews, John Procter
EFDD	Isabella Adinolfi
ENF	Dominique Bilde
GUE/NGL	Nikolaos Chountis, Curzio Maltese
PPE	Andrea Bocskor, Svetoslav Hristov Malinov, Stefano Maullu, Algirdas Saudargas, Michaela Šojdrová, Sabine Verheyen, Bogdan Brunon Wenta, Theodoros Zagorakis, Bogdan Andrzej Zdrojewski
S&D	Silvia Costa, Damian Dr ghici, Petra Kammerevert, Krystyna Łybacka, Luigi Morgano, Julie Ward
Verts/ALE	Jill Evans, Helga Trüpel

0	-

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	20.3.2018
Result of final vote	<div><div>+: 17</div><div>–: 4</div><div>0: 0</div></div>
Members present for the final vote	Inés Ayala Sender, Zigmantas Balčytis, Dennis de Jong, Tamás Deutsch, Martina Dlabajová, Raffaele Fitto, Ingeborg Gräßle, Cătălin Sorin Ivan, Jean-François Jalkh, Notis Marias, José Ignacio Salafranca Sánchez-Neyra, Petri Sarvamaa, Claudia Schmidt, Bart Staes, Indrek Tarand, Marco Valli, Derek Vaughan
Substitutes present for the final vote	Brian Hayes, Karin Kadenbach, Julia Pitera, Miroslav Poche

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

17	+
ALDE	Martina Dlabajová
GUE/NGL	Dennis de Jong
PPE	Tamás Deutsch, Ingeborg Gräßle, Brian Hayes, Julia Pitera, José Ignacio Salafranca Sánchez-Neyra, Petri Sarvamaa, Claudia Schmidt
S&D	Inés Ayala Sender, Zigmantas Bal ytis, C t lin Sorin Ivan, Karin Kadenbach, Miroslav Poche, Derek Vaughan
VERTS/ALE	Bart Staes, Indrek Tarand

4	-
ECR	Raffaele Fitto, Notis Marias
EFDD	Marco Valli
ENF	Jean-François Jalkh

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention