



Plenary sitting

A8-0068/2018

22.3.2018

REPORT

on discharge in respect of the implementation of the budget of the European
Centre for the Development of Vocational Training for the financial year 2016
(2017/2147(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 European Centre for the Development of Vocational Training for the financial year 2016 (2017/2147(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 2016,
- 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 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 – C8-0057/2018),
- 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 Regulation (EEC) No 337/75 of the Council of 10 February 1975 establishing a European Centre for the Development of Vocational Training⁴, and in particular Article 12a 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 Employment and Social Affairs (A8-0068/2018),

¹ OJ C 417, 6.12.2017, p. 42.

² OJ C 417, 6.12.2017, p. 42.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 39, 13.2.1975, p. 1.

⁵ OJ L 328, 7.12.2013, p. 42.

1. Grants 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 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 European Centre for the Development of Vocational Training, 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 European Centre for the Development of Vocational Training for the financial year 2016 (2017/2147(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 2016,
- 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 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 – C8-0057/2018),
- 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 Regulation (EEC) No 337/75 of the Council of 10 February 1975 establishing a European Centre for the Development of Vocational Training⁴, and in particular Article 12a 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 Employment and Social Affairs (A8-0068/2018),

¹ OJ C 417, 6.12.2017, p. 42.

² OJ C 417, 6.12.2017, p. 42.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 39, 13.2.1975, p. 1.

⁵ OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of the European Centre for the Development of Vocational Training for the financial year 2016;
2. 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 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 European Centre for the Development of Vocational Training for the financial year 2016 (2017/2147(DEC))

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Centre for the Development of Vocational Training 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 Employment and Social Affairs (A8-0068/2018),
- A. whereas in the context of the discharge procedure, the discharge authority wishes to stress 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 European Centre for the Development of Vocational Training (the “Centre”) for the financial year 2016 was EUR 18 019 949, representing a decrease of 1,83 % compared to 2015; whereas the Centre’s budget derives mainly from the Union budget;
- C. whereas the Court of Auditors (the “Court”), in its report on the Centre’s annual accounts 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 2015 discharge

1. Notes with satisfaction that the Court’s comment on the building, repair work, structural strengthening and various safety issues is now marked as “completed”;

Budget and financial management

2. Notes with satisfaction that the budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 99,99 %, representing an increase of 1,43 % compared to the previous year; furthermore welcomes that the payment appropriations execution rate was at 94,55 %, representing a significant increase of 11,55 % compared to the previous year;

Commitments and carry-overs

3. Notes that the Centre was able to utilise additional savings resulting from the downward

¹ O.J. C 113, 30.03.2016, p.1

adjustment in the salary weighting factor from 79,9 % to 79,3 %; notes with satisfaction that the Centre transferred the ensuing savings in personnel costs to operational activities and successfully managed to commit them before the year end;

4. Notes that carry-overs may often be partly or fully justified by the multiannual nature of the Centre's 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;

Transfer

5. Notes that the Centre made transfers in 2016, totalling EUR 309 187 from Title I (staff expenditure) and Title II (administrative expenditure) to Title III (operational expenditure); notes with satisfaction that the level and nature of transfers in 2016 remained within the limits of the financial rules;

Procurement

6. Notes that the Centre processed 46 procurement procedures in 2016, of which 46 % were open procedures, 48 % were negotiated procedures and 6 % were restricted procedures;

Staff policy

7. Notes that on 31 December 2016 the occupation rate of the establishment plan was 98 %, namely 92 posts filled in the establishment plan which had 94 authorised posts;
8. Notes with appreciation the fact that the Centre remained committed to supporting equal opportunities in recruitment and employment; notes that there was a gender balance of 60 % female to 40 % male staff, which could be improved; welcomes, however, the fact that women are well represented at all grades, including - especially, because it isn't always the case - at management level;
9. Stresses that work-life balance should be part of the staff policy of the Centre; notes that the budget spent on well-being activities amounts to approximately EUR 46 000, corresponding to 0,5 day per staff; calls on the Centre to provide a more thorough breakdown of these expenses to the discharge authority; observes that the average number of sick leave is 7,9 days per staff;
10. Recalls that the Centre adopted a decision concerning the psychological and sexual harassment in November 2011; calls on the Centre to support the organisation of training and information sessions to increase the awareness of the staff;
11. Notes with satisfaction that the Centre did not receive any complaints, law-suits or reported cases linked to hiring or dismissal of staff in 2016;

Prevention and management of conflicts of interests, transparency and democracy

12. Welcome the fact that the Centre has obtained all missing declarations of conflicts of interests from newly appointed board members and that they are now published on

Centre's website;

13. Recalls that the Centre adopted its anti-fraud strategy on 22 October 2014, along with its policy on prevention and management of conflicts of interests; welcomes the fact that the Centre organised regular training sessions in order to raise awareness among its staff on the correct implementation of the strategy and policy;
14. Notes that the Centre adopted guidelines on whistleblowing on 9 February 2017, which are based on the Commission's Guidelines and which satisfy the requirements as set out in Article 22c of the Staff Regulations; notes that there was no whistle-blowing case in 2016 in the Centre;
15. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistle-blowers 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 public the minutes of its management board meetings; calls on the Centre to change its policy in this regard;

Main achievements

17. Welcomes the three main achievements identified by the Centre in 2016, namely that it:
 - released the outcome of its three-year project on the role that vocational education and training (VET) can play in addressing early leaving from education and training;
 - designed a toolkit that provides practical guidance, tips, good practices and tools drawn from VET to feed into activities and policies which help young people at risk of becoming early leavers to remain in education and training and qualify and to help early leavers to reintegrate into education or training and the labour market;
 - published the updated skills and demand forecast projecting trends in employment up to 2025;
18. Regrets, however, that the Centre did not use the impact indicators to monitor the success of those achievements;

Internal audit

19. Acknowledges that all recommendations stemming from the agreed action plan which resulted from the internal audit service (IAS) audit on procurement, including fraud prevention and legal advice at the Centre - carried out in 2015 - were implemented and sent for review by the end of 2016; notes that four out of five recommendations were closed and one was recommended by the IAS to be closed; notes, moreover, that the IAS carried out a risk assessment exercise at the Centre in March 2016 in order to prepare the Strategic Audit Plan for 2017 to 2019;

Performance

20. Notes the Centre's close cooperation with the European Training Foundation and with the European Foundation for the Improvement of Living and Working Conditions, formalised in collaboration agreements;
21. Acknowledges the fact that the Centre actively contributed to a number of activities of the Union Agencies Performance Development Network, such as the revision of the EC Roadmap, while sharing its experience with other Union agencies on developing key performance indicators for Union Agency Directors; notes that the Centre's performance measurement system is an integral part of its planning and reporting processes;
22. Notes the ongoing external evaluation of the Centre, required by the financial regulation, which started in April 2017;

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23. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of ... 2018¹ on the performance, financial management and control of the agencies.

¹ Texts adopted of that date, P8_TA-PROV(2018)0000.

24.1.2018

OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS

for the Committee on Budgetary Control

on discharge in respect of the implementation of the budget of the European Centre for the Development of Vocational training for the financial year 2016
(2017/2147(DEC))

Rapporteur: Claude Rolin

SUGGESTIONS

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

1. Expresses its satisfaction that the Court of Auditors has declared the transactions underlying the Centre's annual accounts for the financial year 2016 to be legal and regular and that its financial position as at 31 December 2016 is fairly represented;
2. Appreciates the Centre's continued high-quality work, providing research, analysis and technical advice to assist the development of European lifelong learning and VET policies; particularly welcomes the Centre's contributions to the New Skills Agenda for Europe and Europass;
3. Commends the high budget implementation rate in 2016 (99,99 %); notes, however, that the level of appropriations carried over to 2017 was high for Title II (27,39 %);
4. Welcomes the Centre's focus on the development of competences and skills, in particular among the low-skilled, to support the objective of labour market inclusion through VET, work-based learning and apprenticeships; appreciates the Centre's work on skills demand and supply, the Skills Panorama;
5. Notes the increase in expenditure (16 %) on building maintenance works and services attributed to unforeseen works needed to replace the glass facade of the building and the skylights of the three conference rooms;
6. Notes the ongoing external evaluation of the Centre, required by the financial regulation, which started in April 2017;

7. Notes that the overall gender balance at the Centre was 60 % female and 40 % male; notes that new rules on promotion were adopted by the Governing Board in September 2016;
8. Welcomes the Centre's follow-up measures in relation to the recommendations of the discharge authority regarding the implementation of the budget of previous years.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	23.1.2018
Result of final vote	+: 42 -: 6 0: 2
Members present for the final vote	Guillaume Balas, Vilija Blinkevičiūtė, Enrique Calvet Chambon, David Casa, Ole Christensen, Michael Detjen, Martina Dlabajová, Lampros Fountoulis, Arne Gericke, Marian Harkin, Czesław Hoc, Agnes Jongerius, Rina Ronja Kari, Jan Keller, Ádám Kósa, Agnieszka Kozłowska-Rajewicz, Jean Lambert, Jérôme Lavrilleux, Jeroen Lenaers, Verónica Lope Fontagné, Javi López, Thomas Mann, Dominique Martin, Anthea McIntyre, Joëlle Mélin, Elisabeth Morin-Chartier, Emilian Pavel, João Pimenta Lopes, Georgi Pirinski, Marek Plura, Dennis Radtke, Terry Reintke, Claude Rolin, Siôn Simon, Romana Tomc, Ulrike Trebesius, Marita Ulvskog, Tatjana Ždanoka
Substitutes present for the final vote	Georges Bach, Lynn Boylan, Rosa D'Amato, Tania González Peñas, Krzysztof Hetman, Paloma López Bermejo, António Marinho e Pinto, Edouard Martin, Ivari Padar, Flavio Zanonato
Substitutes under Rule 200(2) present for the final vote	Geoffroy Didier, Morten Messerschmidt

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

42	+
ALDE	Enrique Calvet Chambon, Martina Dlabajová, Marian Harkin, António Marinho e Pinto
EFDD	Rosa D'Amato
GUE/NGL	Lynn Boylan, Tania González Peñas, Rina Ronja Kari, Paloma López Bermejo, João Pimenta Lopes
PPE	Georges Bach, David Casa, Geoffroy Didier, Krzysztof Hetman, Ádám Kósa, Agnieszka Kozłowska-Rajewicz, Jérôme Lavrilleux, Jeroen Lenaers, Verónica Lope Fontagné, Thomas Mann, Elisabeth Morin-Chartier, Marek Plura, Dennis Radtke, Claude Rolin, Romana Tomc
S&D	Guillaume Balas, Vilija Blinkevičiūtė, Ole Christensen, Michael Detjen, Agnes Jongerius, Jan Keller, Javi López, Edouard Martin, Ivari Padar, Emilian Pavel, Georgi Pirinski, Siôn Simon, Marita Ulvskog, Flavio Zanonato
VERTS/ALE	Jean Lambert, Terry Reintke, Tatjana Ždanoka

6	-
ECR	Arne Gericke, Czesław Hoc, Anthea McIntyre, Morten Messerschmidt, Ulrike Trebesius
NI	Lampros Fountoulis

2	0
ENF	Dominique Martin, Joëlle Mélin

Key to symbols:

+ : in favour

- : against

0 : abstention

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	20.3.2018
Result of final vote	+: 18 -: 4 0: 0
Members present for the final vote	Nedzhmi Ali, 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

18	+
ALDE	Nedzhmi Ali, 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