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CEDEFOP

CONSOLIDATED ANNUAL ACTIVITY REPORT (CAAR) 2018

REFERENCE: FR 1605/2002, FFR No 1271 /2013 ⁽¹⁾

⁽¹⁾ 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.

TABLE OF CONTENTS

Table of contents	2
Management Board's analysis and assessment	4
Introduction – Cedefop in brief	9
Executive Summary	10
2018 in brief.....	10
Key performance findings.....	15
I. Part I: KEY RESULTS AND PROGRESS TOWARDS THE ACHIEVEMENT OF GENERAL AND SPECIFIC ACHIEVEMENTS	19
I.1. Operational Activity: shaping VET by modernising VET systems and institutions and by supporting the use of EU tools and principles.....	19
I.2. Operational Activity: Valuing VET to empower people to achieve competences and skills for work and life	21
I.3. Operational Activity: Informing VET by offering labour market intelligence and skill needs analysis.....	23
I.4. Transversal activity: Communication, information and dissemination.....	26
II. Part II: ORGANISATIONAL MANAGEMENT AND INTERNAL CONTROL	28
II.3. Financial management.....	34
II.4. Human Resources management.....	36
II.5. Audit observations and recommendations.....	37
II.5.1. Follow up of recommendations and audits.....	37
II.5.2. Internal Audit Service.....	37
II.5.3. Other sources of assurance.....	38
II.5.4. European Court of Auditors (ECA)	39
II.5.5. Discharge.....	40
II.5.6. Progress related to the recommendations outlined in Cedefop discharge 2016, related progress and status on 31 December 2018.....	41
II.5.7. Evaluations	49
II.6. Risk Management.....	51
II.7. Assessment by management.....	51
II.8. Compliance and effectiveness of the internal control standards.....	54

III. MANAGEMENT ASSURANCE.....	55
III.1. Review of the elements supporting assurance	55
Reservations.....	55
III.2. Overall conclusion on assurance	55
IV. DECLARATION OF ASSURANCE	56
Annexes	58
Annex I: Statement of the Internal Control Coordinator.....	59
Annex II: HUMAN RESOURCES	60
Annex III: Human and financial resources by activities	63
Annex IV Activity Based Budget 2018.....	64
Annex IV: Materiality criteria	65
Annex V: Cooperation with EU Agencies	67
Annex VI: Report of the DPO.....	69
Annex VII: Key decisions of the GB.....	74
Annex VIII: Draft Annual Accounts and financial reports.....	77
Annex IX: Risk Management Plan	108

Cedefop's Management Board Analysis and Assessment of Cedefop's Consolidated Annual Activity Report (CAAR) 2018

Article 47 of Cedefop's Decision of 9 January 2014 on the financial rules requires the Management Board (previously Governing Board) ⁽²⁾ to send to the Court of Auditors, the European Commission, the Parliament and the Council the Consolidated Annual Activity Report (CAAR) of the previous financial year together with its assessment, no later than 1 July.

The Management Board, based on its analysis and assessment of the Acting Director's Consolidated Annual Activity Report 2018:

- takes note of Cedefop's report on the implementation of the annual work programme 2018, and in particular:
- welcomes the fact that Cedefop's work is well aligned with and highly relevant to the policy themes that are high on the EU agenda, such as validating people's skills and upskilling the low-qualified, ensuring the quality of apprenticeships, promoting work-based learning more generally and key competences and the future of work and VET;
- acknowledges the added value of Cedefop's continued support to the European Commission, Member States and social partners in their cooperation on VET within the so-called 'Copenhagen process' and the overall Education and Training 2020 framework through its research, policy analyses and expertise;
- welcomes the Agency's contribution to the Skills Agenda for Europe, in particular to the upskilling pathways recommendation and the European pillar of social rights, the European quality framework for apprenticeship, the development, implementation, interaction and promotion of the common European tools, such as the European qualifications framework, and the analysis of trends in skill needs and skill mismatch across Europe which, among others, supports the Blueprint for Sectoral Cooperation on Skills;
- appreciates Cedefop's forward looking approach, its engagement in cutting-edge projects and contributions to the reflections on the future of VET and work and the preparation of the joint opinion of VET post 2020 by the Advisory Committee on Vocational Training based on the expertise from across the Agency's work;
- highly values the quality of the evidence produced by the Agency and in particular in 2018 the analyses provided on:

the changing role and future of VET and the impact of international and sectoral qualifications on national VET; VET policy developments; apprenticeships in individual countries and apprenticeship schemes across countries; qualifications frameworks; skills

⁽²⁾ In 2018 the terms Governing Board and Bureau still applied. According to the recast Founding regulation 2019/128, which came into force on 20 February 2019, Cedefop is governed by a Management Board supported by an Executive Board. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L:2019:030:TOC>

shortages and mismatch; the role of VET in sustainable return to work; guidance and career development tools and practices; skill needs anticipation systems and approaches; future skill needs and supply; opinion on VET in the Member States; acknowledges the development of a European skills index to measure the performance of countries' skills systems; underlines that sound evidence and data is the basis to help shape and implement policies and a *condition sine qua non* to support national reforms;

- welcomes the fact that, throughout the year, Cedefop continued to support Member States and social partners and addressed the needs of a wider range of actors by: assisting countries in setting up effective systems for skills anticipation and matching and by reviewing and reforming their apprenticeships systems and schemes; organising policy learning fora and networking events; providing advice to Member States in applying common European tools and in developing skill needs anticipation methods and tools; providing practical guidelines and web-based toolkits on guidance, early leaving and other relevant areas of policy that help stakeholders implement the EU objectives and priorities at national level; and directly reaching European citizens through the Europass CV, its web portal and other social media;
- acknowledges the added value of Cedefop's expertise in apprenticeship and other forms of work-based learning, validation of non-formal and informal learning and guidance that help individuals to gain higher skills and qualifications levels and manage better labour market transition;
- congratulates Cedefop on the conference on the changing role and future of VET in the framework of the European vocational skills week which attracted a large audience; acknowledges the added value of Cedefop's work for the reflections on the European cooperation in VET beyond 2020;
- commends Cedefop on the cooperation with Eurofound in the framework of the joint European Company survey and to produce a 2030 outlook on skills supply and demand; acknowledges the solid evidence the Agency generates through these projections and on changing skill needs in times where digitalisation and other technological advances impact strongly on the future of work and jobs; welcomes Cedefop's initiative to look into the impact of the platform economy on people's skills development;
- appreciates in particular the initiative to hold a series of policy learning fora jointly with the European Economic and Social Committee bringing together Member States, social partners and EESC members to assist national actors in implementing the 2016 Council recommendation 'Upskilling pathways: new opportunities for adults';
- welcomes Cedefop's reinforced initiatives to offer more web-resources and data visualisation opportunities and the increased and extended offer of these services in 2018 on skills forecasts, matching skills, the European skills index, apprenticeships, opinions survey on VET and guidance;
- underlines the importance of Cedefop's contribution to the development of Europass and its high acceptance by European citizens as proved by statistics; and welcomes the further development of the Skills Panorama portal, which helps understand trends in skills across the EU and the performance of skills systems, and the high level of interest and satisfaction it achieves among policy-makers, researchers and guidance counsellors;
- takes note of Cedefop's Brussels office activities and cooperation with the Commission,

European Parliament, European social partners as well as with the Permanent Representations of Member States and the Presidencies, thus increasing the visibility of the Agency's work and expertise;

- takes note of Cedefop's good cooperation with EU Presidencies and its content support for VET-related events and activities, in particular regular background information and analyses provided for DGVET and ACVT meetings, as well as the joint Brussels-based Cedefop/Presidency seminars;
- acknowledges Cedefop's success in ensuring synergy and complementarity with the other Agencies' work, notably with ETF and Eurofound; welcomes in particular the collaboration with the latter in the context of the skills forecast and the initiative to join forces and resources for the next European Company Survey; acknowledges the cooperation with EUROSTAT on the use of big data technology and improving VET statistics and the European Commission's Joint Research Centre; welcomes the cooperation with the EESC; values the outcomes of the cooperation with ILO on green skills, the OECD, UNESCO, World Bank and other world-leading actors like the World Economic Forum;
- acknowledges Cedefop's contributions to the Advisory Group on the European Labour Authority to be established in 2019 – originally announced by President Juncker in his State of the Union Address 2017 and proposed by the European Commission in 2018 – to help avoid overlap and ensure complementarity between the organisations;
- congratulates the Agency on its overall performance as attested by its indicators which confirm that it is a highly acknowledged centre of expertise in VET, qualifications and skills policies with high impact in its field of expertise thanks to the uniqueness of its research and policy analysis;
- welcomes the overall positive outcome of the Cedefop specific evaluation carried out in 2017 and is highly satisfied that its activities were assessed as providing added value and being complementary to those of other EU agencies;
- notes that the 'other sources of assurance' function has been covered either by internal working groups or by external contractors selected from interinstitutional framework contracts and appreciates that this solution has been effectively applied and that it helped reduce administrative costs, thus benefiting operational expenditure;
- congratulates Cedefop on the fact that the final report of the European Court of Auditors on the annual accounts 2017 confirms the regularity and legality of the underlying transactions in all material aspects;
- is highly satisfied that all recommendations from the agreed action plans resulting from previous IAS audits were implemented as planned and are closed; takes note of the results of the IAS audit on Cedefop's web-based services and of the fact that the agreed recommendations were being implemented throughout 2018 with a view to be completed early 2019;
- expresses its concern regarding the recommendations by the Commission's Internal Audit Service (IAS) on HR and ethics and in particular the critical recommendation made on recruitment procedures and the Court of Auditors' findings regarding the legality and regularity of transactions of two recruitment procedures – also taken up by the European

Parliament in its discharge report for the financial year 2017; appreciates however the swift preparation of a comprehensive action plan to address the identified weaknesses; asks Cedefop's management to continue reporting on progress in these matters;

- welcomes the learning and development strategy (2018-20) for Cedefop staff and the management development programme; appreciates in particular the awareness raising activities on dignity at work and ethics, integrity and internal control issues;
- commends the exceptional budget implementation of 100% commitment appropriations and 99.9% payment appropriations thanks to the monitoring system established by management which: (a) allowed avoiding the repetition of the 2% penalty applied to Cedefop's budget 2019 and (b) enabled the use of savings in the personnel budget caused by the staff turnover in 2018 and their use in support of core business;
- acknowledges the establishment plan's occupation of 96%, above the 95% target;
- acknowledges the collaboration within the EU Agency network to ensure efficiency gains in resource matters, as for instance joint procurement procedures and the use of inter-institutional contracts; welcomes Cedefop's contributions to the EU Agency's performance development network;
- acknowledges with satisfaction the European Parliament's positive appreciation of Cedefop's work, the Agency's performance measurement system and its report on discharge in respect of the implementation of the Agency's budget for the financial year 2017;
- appreciates the fact that, throughout 2018, Cedefop's management kept the Governing Board ⁽³⁾ fully informed in various meetings of the (Enlarged) Bureau ⁽⁴⁾ on the finalisation of the Programming Document 2018-20 and the preparation of the Programming Document 2019-21;
- takes note of the declaration of assurance of the Acting Director and the information provided on all underlying building blocks for assurance that underpin the declaration;
- welcomes the participatory approach taken to follow-up the 2017 staff engagement survey and the subsequent action plan as well as the regular reports on progress;
- appreciates the improved communication and transparency vis-à-vis the Bureau and the Governing Board as well as staff;
- congratulates and thanks Cedefop's staff and management on their achievements in 2018 despite several challenges and the lack of capacity also at management level; appreciates their high level of commitment and quality of work; also acknowledges that Cedefop's staff and management proved flexible in achieving a demanding work

⁽³⁾ Term used at the time in line with the Founding Regulation of 10 February 1975 (EEC Nr. 337/75) as amended by Council regulation EC Nr 2051/2004.

⁽⁴⁾ Term used at the time in line with the Founding Regulation of 10 February 1975 (EEC Nr. 337/75) as amended by Council regulation EC Nr 2051/2004.

programme and meeting new requests despite financial and human resource constraints;

- confirms that the Governing Board's analysis of the Consolidated Annual Activity Report 2018 is positive and, in its opinion, provides the necessary assurance for the positive assessment of the results achieved by Cedefop in 2018.

28 June 2019



Tatjana Babrauskiene
Chair of the Management Board

INTRODUCTION – CEDEFOP IN BRIEF

Cedefop is the oldest EU's decentralised agencies. Founded in 1975 and based in Greece since 1995, Cedefop supports the promotion, development and implementation of the Union policy in the field of vocational education and training (VET) as well as skills and qualifications policies by working together with the Commission, Member States and social partners.

Cedefop's new tasks as described in its revised Regulation – which entered into force on 20 February 2019 ⁽⁵⁾ – reflect today's broader understanding of VET and the actual scope of the activities carried out by the Agency, which go beyond VET and include skills and qualifications – thus confirming the Agency's role at the intersection between education and training and the labour market.

In line with the vision and values set for the Agency, for 2018-20, three strategic areas of operation have been defined:

- (a) shaping VET: foster the renewal and modernisation of VET systems and institutions in response to rapidly changing policy needs and priorities; support the development and use of European tools and principles promoting lifelong and life-wide learning;
- (b) valuing VET: support the development and implementation of VET policies and programmes helping all citizens to achieve competences and skills required for work, employability, entrepreneurship, and lifelong learning in a constantly changing labour market;
- (c) informing VET: inform the design of VET and employment policies that ensure the availability of a qualified workforce and its continuous, as well as effective, skilling; promote jobs that value, develop and make the best possible use of people's skills throughout their working lives.

Cedefop's multiannual objectives – providing evidence and new knowledge; monitoring and analysing policies; acting as a knowledge broker for countries and stakeholders – reflect the core functions of the Agency. Combined with the thematic strategic areas of operation, they define the type and scope of the work the Agency delivers. The multiannual objectives steer the activities of Cedefop's annual work programmes and ensure continuity of its work, allowing the necessary flexibility to respond to changing needs.

Cedefop is governed by a Board made up of three members from each Member State representing the Government, employer and employee organisations; and three members representing the European Commission. Member State and social partner representatives are appointed by the Council for three years (renewable). Commission representatives are appointed by the Commission. The Governing Board convenes once a year.

To operate and be more closely involved in monitoring the Agency's activities, aiming to reinforce supervision of administrative and budgetary management, the Governing Board establishes a smaller-sized Bureau. The Bureau usually meets three to four times per year. The Governing Board may decide to enlarge the Bureau to discuss strategic issues informing future Governing Board decisions.

⁽⁵⁾ Regulation (EU) 2019/128 of the European Parliament and of the Council of 16 January 2019 establishing a European Centre for the Development of Vocational Training (Cedefop) and repealing Council Regulation (EEC) No 337/75. Official Journal of the European Union, L 30, 31.1.2019, p. 90-105.

EXECUTIVE SUMMARY

2018 IN BRIEF

Performance
77 contributions to EU-level documents; 14 to documents by international organisations
422 references to Cedefop work in 200 EU-level policy documents and 244 references to Cedefop work in 99 documents issued by international organisations (OECD, UNESCO, ILO, World Bank and World Economic Forum)
176 contributions to policy relevant meetings of senior stakeholders e.g. <ul style="list-style-type: none"> • 10th anniversary of EQF conference: <i>The European qualifications framework: supporting learning, work and cross border mobility</i> • digitalisation of work conference of the Austrian Presidency • meetings of Directors General (DGVN) and the Advisory Committee for Vocational Training (ACVT), European Commission working groups on VET (teachers and trainers) and digital skills • ETUC conference Involving trade unions in climate action to build a just transition • ETUC/ETUI conference on the world(s) of work in transition • EU social partners joint seminar on promoting social partnership in employee training • direct support to Member States: meetings with national senior stakeholders related to thematic country reviews and the European vocational skills week: Cedefop conference organised jointly with the European Commission, <i>VET in Europe: taking stock and looking ahead</i>
Website traffic: 584 000 visits, 1 347 000 page views
EU skills panorama: The total number of page-views was more than 386 000 (with an average of 02:57 minutes and 2.84 page views per visit).
74 contributions to other conferences and major events, including keynote speeches and participation in discussion panels such as: <ul style="list-style-type: none"> • 5th international conference on employer engagement in education and training: 2018 • 2018 International Migrants Day • Employment and social development in Europe 2018 conference <i>The changing world of work: beyond digitalisation.</i> • European skills conference on digital transformation and IT professionalism • Hong-Kong qualification framework (HKQF) international conference: <i>Qualifications framework in the next decade: quality, progression and recognition</i> • 22nd international conference of the European Association of Institutes for Vocational Training (EVBB) and the European Vocational Training Association (EVTA)
59 meetings – 1 539 participants
39 publications
345 000 downloads of Cedefop publications
611 citations in academic literature 2018-19. Most frequently quoted themes: skills supply and demand, qualification frameworks, validation of non-formal and informal learning, lifelong guidance and learning outcomes.
96% occupation rate of the establishment plan
Budget implementation rate: 100%

Helping to make VET fit for future challenges while meeting those of today – this principle best encapsulates Cedefop’s work and achievements in 2018. They can be subsumed under three broad themes: future of work and skills, future of VET and empowering people to cope with current and future change. Several EU-level documents, events and policy initiatives that took account of Cedefop work or that the Agency was invited to contribute to also centred around these themes.

Reflections on the future of work and VET marked the Bulgarian and Austrian Council Presidencies. Accordingly, Cedefop’s biannual Brussels-based seminars organised jointly with them focused on labour market and skills information systems for VET policies and possible directions VET may take in the future. Developing a shared vision for future European VET policy, was at the core of discussions at meetings of Directors General for VET (DGVET), the Commission’s Advisory Committee for Vocational Training (ACVT) and the Austrian Presidency VET conference. Their reflections culminated in the formulation of a vision by the ACVT ⁽⁶⁾ to guide EU policy to which Cedefop contributed through several strands of its work throughout the year.

Highly dynamic and competitive labour markets continuously shape skill requirements for future jobs. For people’s education and career choices and for VET to enable learners to acquire the skills that will be relevant for tomorrow’s jobs, requires foresight. This is where Cedefop’s skills forecasts come into play.

Entrusted with regular EU-wide skill supply and demand projections by the Council, the Agency presented its most recent outlook up to 2030 in June 2018 – 10 years after it had pioneered its first forecast. Cedefop’s projections serve as an alert system for policy-makers helping them to be proactive. For the 2030 outlook, Cedefop joined forces with Eurofound. The presentation of the forecast in Brussels ⁽⁷⁾ was followed by a joint publication ⁽⁸⁾. The briefing note ⁽⁹⁾, which summarised the data, trends and challenges, was among the top ten 2018 publications downloaded in the same year. To suit different user needs, the cross-country information was complemented by individual country reports. An interactive database on Cedefop’s webportal offers the opportunity to visualise and compare data from different perspectives ⁽¹⁰⁾. The skills forecast also feeds the information available through the EU Skills Panorama ⁽¹¹⁾ that Cedefop manages on behalf of the European Commission.

In times of rapid change and the ongoing controversial debate on how digitalisation, robotisation, machine learning and artificial intelligence will influence employment, a combination of anticipation methods is more important than ever. As rapid changes require combining a long-term perspective with evidence on current skill demand, Cedefop was working to develop an EU-wide real-time information system using big data to analyse online job vacancies. First data sets will be released in March 2019.

Information on skills supply and demand is not enough to understand how well countries’ skills systems perform in their endeavour to meet Europe’s economic and social policy

⁽⁶⁾ <https://ec.europa.eu/social/main.jsp?langId=el&catId=1146&newsId=9263&furtherNews=yes>

⁽⁷⁾ <http://www.cedefop.europa.eu/en/news-and-press/news/technology-impacts-future-job-trends>.

⁽⁸⁾ http://www.cedefop.europa.eu/files/3077_en.pdf.

⁽⁹⁾ <http://www.cedefop.europa.eu/en/publications-and-resources/publications/9130>.

⁽¹⁰⁾ <http://www.cedefop.europa.eu/en/publications-and-resources/data-visualisations/skills-forecast>.

⁽¹¹⁾ <https://skillspanorama.cedefop.europa.eu>.

objectives. This performance depends on context and interaction of supply and demand but until recently there was no single measure to assess and compare it. Cedefop's European skills index fills this gap. It was presented in autumn at an event hosted by the European Economic and Social Committee (EESC) ⁽¹²⁾. Helping countries understand what they may need to improve, it will aid their work to achieve the objectives of the European Pillar of Social Rights. Downloads of the briefing note presenting the index ⁽¹³⁾ suggest considerable interest in this new tool. The data can also be accessed on Cedefop's web portal ⁽¹⁴⁾ and through the EU Skills Panorama.

Collaboration with the Austrian Presidency focused on making VET fit for the future. The Agency's comprehensive three-year study of how VET systems evolved from 1995 to 2015 helped to outline possible future directions ⁽¹⁵⁾. Its findings informed events throughout the Austrian Presidency and were discussed at Cedefop's conference *VET in Europe: taking stock and looking ahead* in November. This event was the centrepiece of the European vocational skills week 2018 ⁽¹⁶⁾ organised by the European Commission. It gathered more than 400 participants from Europe and beyond. Besides policy-makers, social partners, researchers, practitioners and learners engaged in the discussions. The possible future paths for VET that Cedefop presented aimed at stimulating a debate on what role and outcomes, content and structure countries envisage for their VET and how different strategies and policy choices can influence these ⁽¹⁷⁾. Work in this field will continue feeding the ongoing policy discourse on VET post-2020 alongside Cedefop's work on skills and its policy monitoring of countries' follow-up of their joint priorities for VET.

The latter – based on information provided by ReferNet, i.e. Cedefop's network of expertise on VET – was used to support the Commission in their work on the Education and Training Monitor and the European semester. One of the principles underpinning countries' joint priorities for VET in the period 2015-20 is the consistent use of the learning outcomes approach. This approach is at the core of the eight-level European qualifications framework for lifelong learning (EQF) which Cedefop helped to create. Designed to make qualifications easier to understand and compare across national and institutional borders, it has triggered the development of national frameworks. To celebrate the EQF's 10th anniversary, the Commission organised an event to which Cedefop contributed substantially based on its research, analyses, monitoring and support activities since the very beginning ⁽¹⁸⁾.

Increasingly, learning outcomes form the basis of qualifications frameworks across the world. For its 2018 policy learning forum on learning outcomes ⁽¹⁹⁾ Cedefop therefore joined forces with UNESCO. Among other issues, experts from Europe and overseas discussed whether

⁽¹²⁾ <http://www.cedefop.europa.eu/en/news-and-press/news/cedefops-new-european-skills-index-tool-informed-policy-making>

⁽¹³⁾ <http://www.cedefop.europa.eu/en/publications-and-resources/publications/9132>.

⁽¹⁴⁾ <http://www.cedefop.europa.eu/en/publications-and-resources/data-visualisations/european-skills-index>.

⁽¹⁵⁾ <http://www.cedefop.europa.eu/en/events-and-projects/projects/changing-nature-and-role-vocational-education-and-training-vet-europe>.

⁽¹⁶⁾ <http://www.cedefop.europa.eu/en/news-and-press/news/scenarios-vets-future-discussed-cedefop-conference-vienna> and <http://www.cedefop.europa.eu/en/events-and-projects/events/vocational-education-and-training-europe-taking-stock-and-looking-ahead>.

⁽¹⁷⁾ http://www.cedefop.europa.eu/files/9133_en.pdf.

⁽¹⁸⁾ <http://www.cedefop.europa.eu/en/news-and-press/news/european-qualifications-framework-supporting-learning-work-and-cross-border>.

⁽¹⁹⁾ <http://www.cedefop.europa.eu/en/events-and-projects/projects/learning-outcomes/events>.

learning outcomes could serve as an internationally shared language that would aid comparing qualifications.

Learning outcomes are a reference point for validation of non-formally and informally acquired knowledge, skills and competences. Given its long-standing experience in this field, Cedefop was invited to co-shape and contribute to the European validation festival organised by the European Commission in spring ⁽²⁰⁾.

Identifying and validating people's skills and tailored learning offers are cornerstones in the Council recommendation on upskilling pathways. It aims to ensure that Europe's 60 million low-skilled adults get a chance to improve their literacy, numeracy and digital skills and/or progress to upper secondary level qualifications (EQF levels 3 or 4). To aid countries' endeavours, support and complement the Commission's work, Cedefop organised a policy learning forum together with the EESC ⁽²¹⁾. The event was the first of a series planned for the coming years. It offered a platform for government representatives, social partners and civil society to help one another in designing and putting upskilling pathways into place. To underpin the discussions, Cedefop drew on evidence from different activities: its study on the economic and social cost of low-skilled adults; VET as a way to prevent and remedy early leaving; work-based learning; outreach and guidance and validation of people's skills and competences. The forum concluded that there is a need to bring existing services and opportunities together in a coherent and coordinated manner and ensure the involvement of social partners and civil society organisations.

Countries' joint priority areas for VET also include promoting work-based learning, and specifically apprenticeship. While continuing its reviews to aid individual countries in their endeavours to set up, revise or expand apprenticeship schemes ⁽²²⁾, Cedefop's focus shifted to assisting cross-country learning and supporting multi-level and multi-stakeholder cooperation through dedicated policy learning forums. A cross-country analysis released in summer ⁽²³⁾ enriched the knowledge base to underpin this work. It highlighted different interpretations of apprenticeships and their purposes and functions across and even within countries with the aim to help build a shared understanding. A database ⁽²⁴⁾ complementing the study allows comparison at country and scheme level based on specific features. The different purposes and roles highlighted by the study were the starting point for the second event ⁽²⁵⁾ Cedefop organised to stimulate policy learning among the reviewed countries and some others. Reflections focused on two main areas: governance and the place of apprenticeships in countries' education and training systems. The event held on Cedefop premises in October 2018 also aimed at understanding better how countries with similar and different approaches organise their apprenticeships and learn about recent changes and developments. With its study, country reviews and policy learning forum on apprenticeships Cedefop supported the work on quality apprenticeships based on common principles and the European alliance for apprenticeships (EaFA) also in the year of its 5th anniversary.

⁽²⁰⁾ <http://www.cedefop.europa.eu/en/news-and-press/news/european-festival-validation>.

⁽²¹⁾ <http://www.cedefop.europa.eu/en/events-and-projects/events/policy-learning-forum-upskilling-pathways-vision-future-0>.

⁽²²⁾ <http://www.cedefop.europa.eu/en/events-and-projects/projects/apprenticeships-work-based-learning#1>.

⁽²³⁾ http://www.cedefop.europa.eu/files/4166_en.pdf.

⁽²⁴⁾ <http://www.cedefop.europa.eu/en/publications-and-resources/data-visualisations/apprenticeship-schemes>

⁽²⁵⁾ <http://www.cedefop.europa.eu/en/events-and-projects/events/second-edefop-policy-learning-forum-plf-apprenticeships>

The EU's multifaceted challenges require immediate responses and comprehensive forward-looking policy approaches, with education and training strategies as part of the package. With its 2018 activities aimed at informing, shaping and valuing VET, Cedefop supported immediate VET-related policy action as well as future-oriented approaches, as is evident from the achievements and the longer-term projects presented in this report.

Cedefop's web portal plays a fundamental role in communicating these achievements to a wider public. In 2018 new web resources and data visualisation opportunities ⁽²⁶⁾ were developed to increase usability and outreach. They make it easier for users to explore apprenticeships, skills forecast results, and the performance of countries' skills systems; compare how citizens in different Member States perceive and have experienced (upper secondary level) VET; and they offer training modules, methods and examples to help guidance practitioners use skills intelligence and ICT tools in their services.

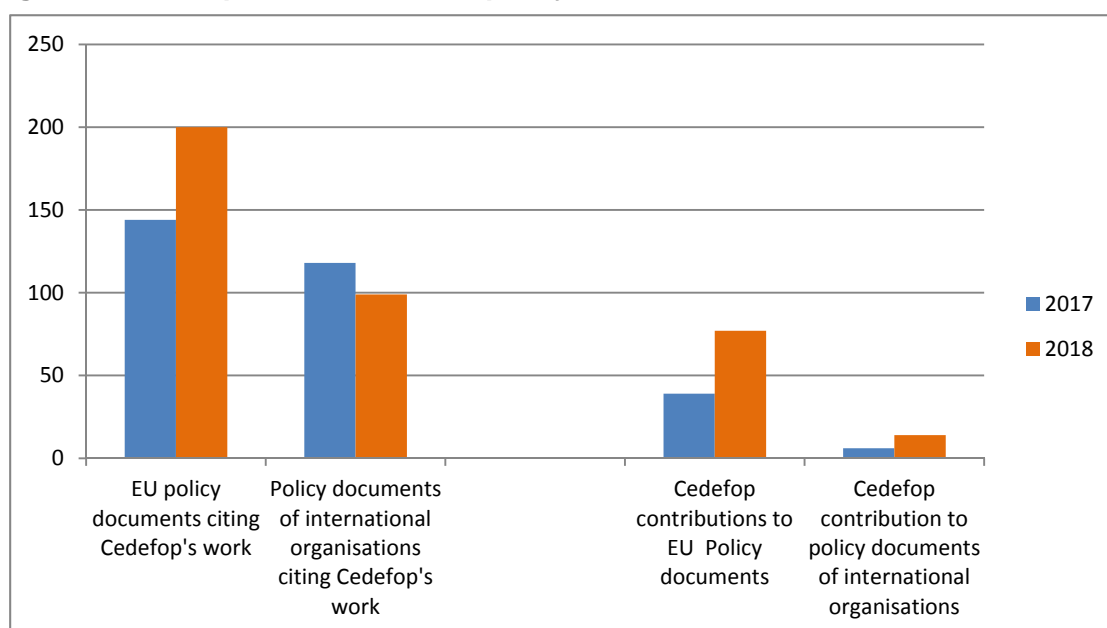
Throughout the year, Cedefop collaborated with its sister agencies, Eurofound and ETF, to share and pool expertise to the benefit of our stakeholders, notably in the work on skills, qualification frameworks and policy monitoring. In 2018, Cedefop also assisted the European Asylum Support Office in developing occupational standards for asylum officials. Sharing expertise and services with other agencies to achieve synergies also extended to administrative issues. Cedefop continued its efforts to streamline and automate procedures so as to alleviate human resource constraints and achieve increased efficiency gains. The exceptionally high budget execution of 100% in 2018 demonstrates the Agency's successful effort towards optimal use of resources entrusted.

⁽²⁶⁾ <http://www.cedefop.europa.eu/>. The portal includes all data and visualisation tools available at the time of access; the text only lists those that were released in 2018.

KEY PERFORMANCE FINDINGS

Cedefop's performance indicators, if compared to previous years, demonstrate that output and outcomes of the Agency's work have improved even further. The number of EU level policy documents and reports citing or referring to the Agency's findings increased by 38% compared to 2017 confirming the acknowledgment of Cedefop's value as a European source for evidence and information on VET and skills.

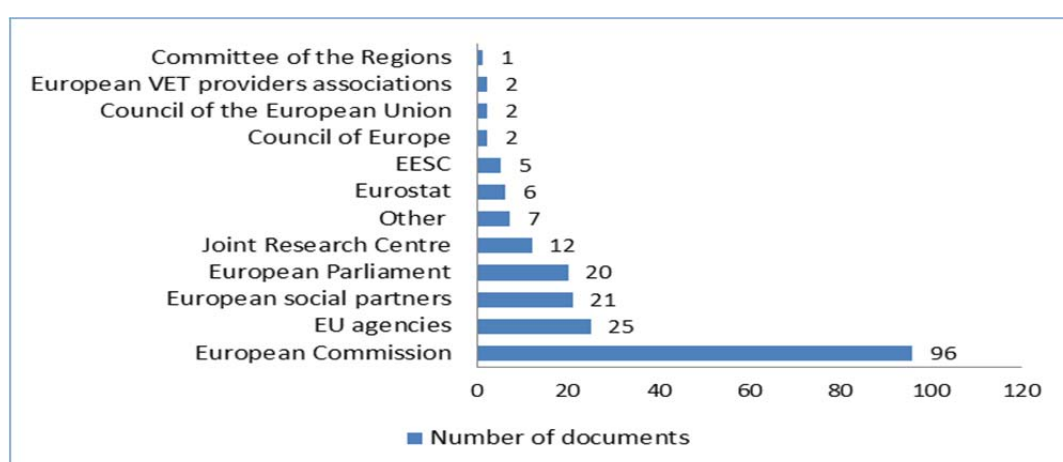
Figure 1: Cedefop's added value in policy documents



Source: Cedefop, performance measurement, indicator 1: policy documents citing Cedefop & indicator 3: contribution to policy documents

With 96 out of a total of 200 EU documents and reports citing or referring to Cedefop work (see figures 2 & 3), the European Commission is again the most prominent user, followed by other agencies, the European social partners and the European Parliament.

Figure 2: EU institutions and EU-level stakeholders using Cedefop work

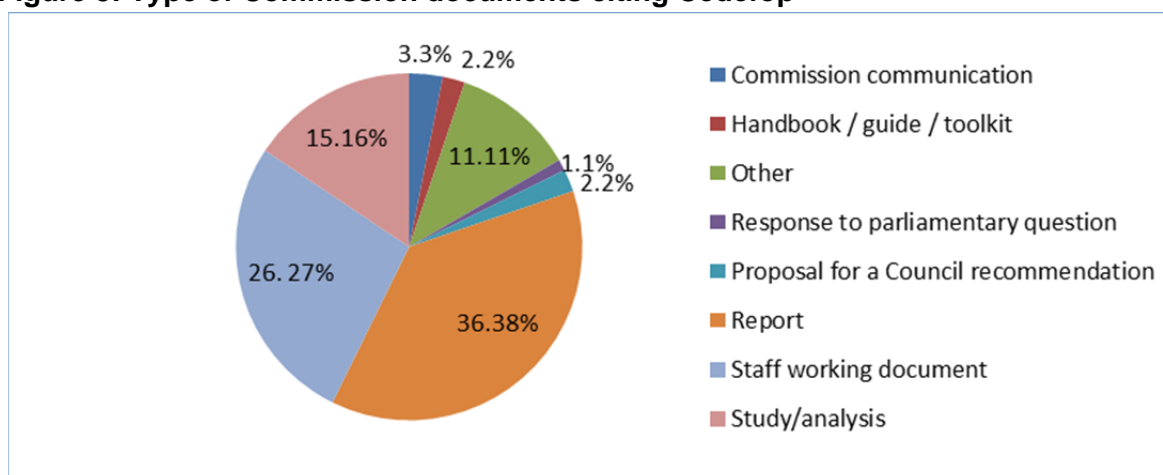


Source: Cedefop, performance measurement, indicator 1: EU-level documents citing Cedefop.

As in previous years, the scope of policy areas that take-up Cedefop findings extended beyond the Directorate-General for Employment, the Agency's partner DG. Reports and

papers by DG Economic and Financial Affairs, DG Internal Market, Industry, Entrepreneurship and SMEs as well as the Joint Research Centre also cited or referred to Cedefop work.

Figure 3: Type of Commission documents citing Cedefop



Source: Cedefop, performance measurement, indicator 1: EU-level documents citing Cedefop.

As in previous years, skills anticipation and matching accounted for most citations (30%) followed by the monitoring VET policy developments (20%), Skills Panorama (9%), promoting access to and attractiveness of VET (9%), the common European tools (7%), labour market integration and social inclusion (7%) and increasing effectiveness of VET policies and programmes (6%).

In addition, Cedefop was asked to contribute to EU level policy documents and reports (77 in total in 2018) such as the European Commission's study on the impact of the 2011 Council Recommendation on tackling early school leaving, its reports on Employment and Social developments in Europe 2018 and skills audits or the 2018 Education and Training Monitor. Cedefop contributions also informed the outputs of the ET2020 working groups on VET and adult learning. Invitations to contribute to EESC papers included its opinions on concepts for transition management in a digitalised world of work for the Austrian Presidency and on the future of work for the Bulgarian Presidency. The European Investment Bank's report *Investing in Europe's future: the role of education and skills* ⁽²⁷⁾ published in spring also featured two articles (co)authored by Cedefop experts.

Continuous recognition of Cedefop's expertise is also demonstrated by the demand to prepare background papers and contribute to 175 policy relevant meetings of EU senior stakeholders that support policy development and implementation. Outstanding examples in 2018, besides regular input to ACVT and DGVET meetings, the EQF advisory group and the ET2020 working groups, include the EQF 10th anniversary conference and the Commission's *Validation festival*. Also in this context, the scope of policy areas was widening and included input into a document for the round table on the future of work by the European Group on Ethics in Sciences and Technologies. Cedefop was also invited to contribute to European social partner events ranging from a seminar on promoting social partnership in employee training they had jointly organised to ETUC events related to education, skills for the world of work in transition and climate action.

⁽²⁷⁾

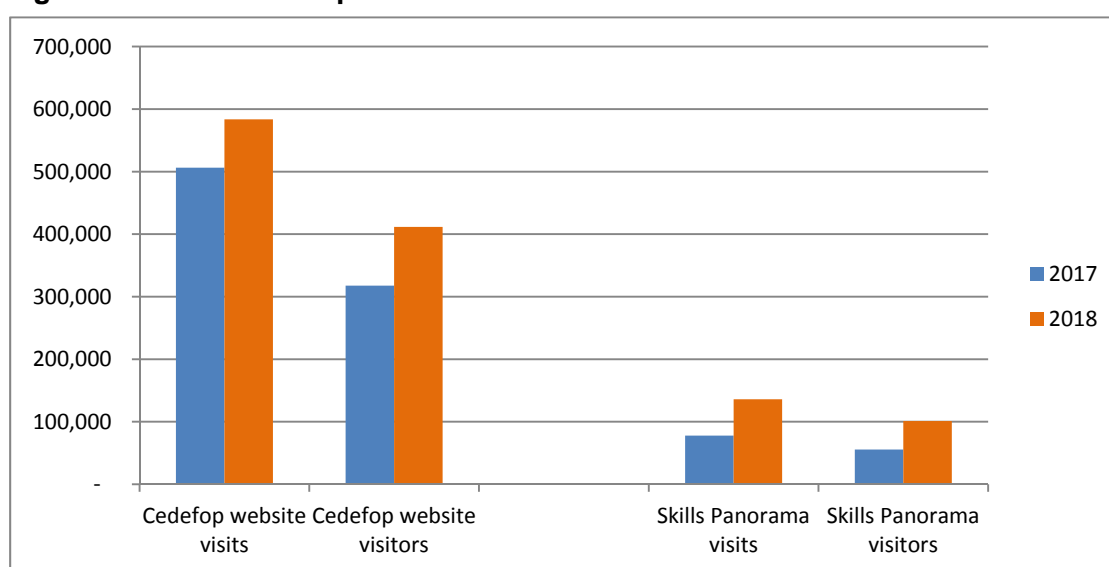
https://www.eib.org/attachments/efs/investing_in_europes_future_the_role_of_education_and_skills_en.pdf.

As regards international organisations, take up of Cedefop's work also remained high (97 documents in 2018). Skills anticipation and matching stayed clearly in the lead followed by references to work on validation of non-formal and informal learning, VET financing, national qualifications frameworks and lifelong guidance. OECD used Cedefop findings most frequently (67 documents) followed by ILO and UNESCO, the World Bank and the World Economic Forum. Drawing mainly on its expertise in skills anticipation, Cedefop contributed to papers and publications by international organisations, notably ILO's *World employment social outlook 2018: greening with jobs* ⁽²⁸⁾.

Noteworthy is the growing interest in Cedefop's online tools (see figure 4). The growing availability of country specific information and improved visualisation opportunities of online data, as for instance within the VET toolkit for tackling early leaving, the guidance resources on labour market information and digital technologies or the skills forecast, increased the number of visits to Cedefop's web portal by 15% since 2017. Skills Panorama traffic increased substantially: more than 80% growth in users and 74% growth in visits compared to 2017.

During 2018, to raise awareness on the content of the website, Cedefop undertook targeted marketing campaigns accompanied by specific dissemination activities in various high level events. A survey among users revealed that a third of the respondents were researchers, nearly 24% policy makers, 11.4% guidance practitioners. Satisfaction reached a rate of 91% confirming the quality and relevance of the information the portal provides.

Figure 4: Use of Cedefop online information

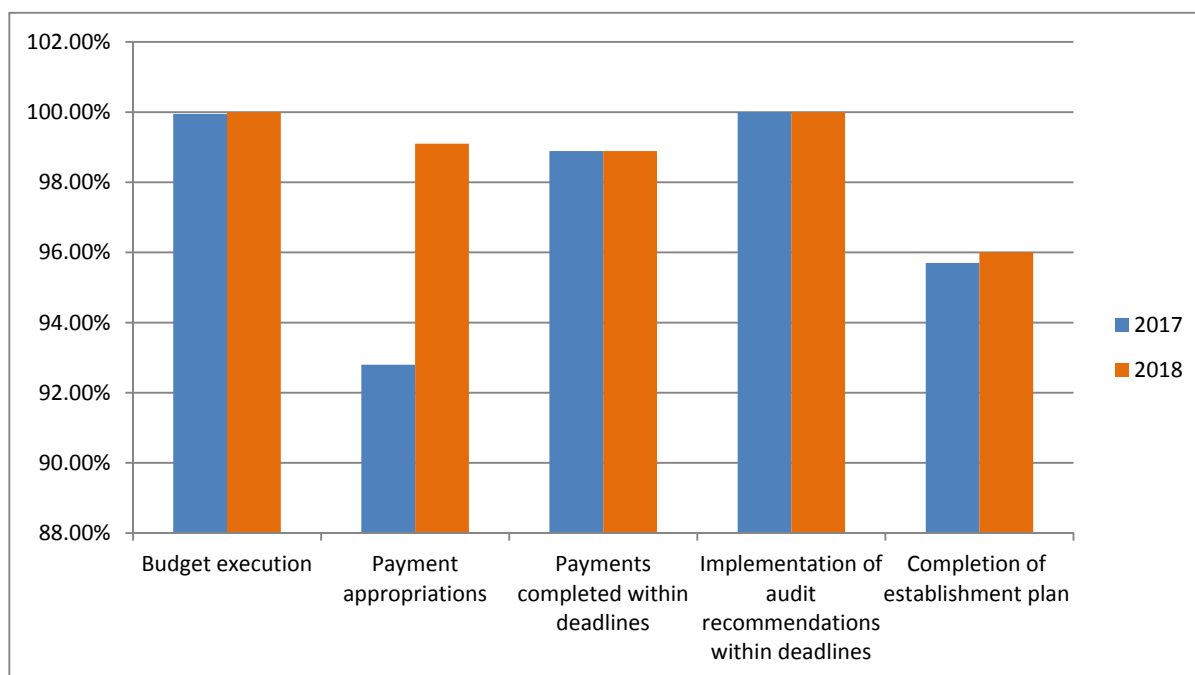


Source: Cedefop, performance measurement, indicators 9 and 12: website and Skills panorama traffic.

Administrative services were delivered effectively and efficiently in support of the core business (see figure 5). Budget execution in 2018 reached the highest possible level (100%). At 98.9%, the rate of Cedefop invoices paid within the legal and contractual deadlines continued to remain high and the rate of payment appropriations (99.9%) increased significantly compared to 2017. Cedefop's efforts in the past years to move towards a paperless workplace, with streamlined procedures and redesigned workflows to ease collaboration were paying off.

⁽²⁸⁾ https://www.ilo.org/weso-greening/documents/WESO_Greening_EN_web2.pdf.

Figure 5: Key performance indicators



Source: Cedefop, performance measurement, key performance indicators 18, 19, 20, 21, 22 on efficiency and compliance.

I. PART I: KEY RESULTS AND PROGRESS TOWARDS THE ACHIEVEMENT OF GENERAL AND SPECIFIC ACHIEVEMENTS

I.1. Operational Activity: shaping VET by modernising VET systems and institutions and by supporting the use of EU tools and principles

In line with its multiannual objective to monitor and analyse policy developments, Cedefop published the **2015-17 interim report ⁽²⁹⁾ on countries' progress towards their joint priorities (Riga conclusions) jointly with the ETF**. Mainly based on information by ReferNet ⁽³⁰⁾, it was accompanied by individual country reports ⁽³¹⁾. Findings informed discussions on the post-2020 VET priorities, notably the ACVT opinion on the future of VET ⁽³²⁾. Work throughout the year focused on updating the country reports to inform the Commission's work on the European semester. At the request of DG Employment Cedefop provided information on VET and adult learning by country to assist their work on the Commission's 2018 Education and training monitor.

Work on quality criteria for ReferNet outputs, resulted, for instance, in 180 national VET-related news being published on Cedefop's website. To make VET systems information more easily accessible to its users, Cedefop continued its work to design a **VET in Europe online presentation tool. Short descriptions ⁽³³⁾ and spotlights on VET in Bulgaria ⁽³⁴⁾ and Austria ⁽³⁵⁾** were released in time for the meetings of Directors General for VET and the spotlights for several countries were updated ⁽³⁶⁾. The annual plenary ReferNet meeting ⁽³⁷⁾ saw the highest attendance of the past years.

Work on **a) the study on key competences in IVET**, which examines digital, literacy and foreign language skills, and **b) the IVET mobility scoreboard ⁽³⁸⁾** was taken forward. In the context of the first, Cedefop participated in the ET 2020 working group 'Digital education: learning, teaching and assessment'. The second focused on collecting data for the 2019 update. Where necessary, arrangements were made with national agencies and centres for Erasmus+ and Euroguidance to ensure complementary information.

Cedefop continued its **support to the Commission and the European Advisory group in the endeavour to implement the EQF**. Cedefop also contributed to peer learning on learning outcomes and on including qualifications from outside formal education and training into NQFs. The 10th year anniversary conference attended by 300 participants (March) ⁽³⁹⁾ – which Cedefop helped shape – was a focal point in the cooperation with DG Employment in this field. Two publications were released to mark this occasion: a) **National qualifications**

⁽²⁹⁾ http://www.cedefop.europa.eu/files/3079_en.pdf

⁽³⁰⁾ Cedefop's network of expertise on VET.

⁽³¹⁾ <http://www.cedefop.europa.eu/en/publications-and-resources/country-reports>

⁽³²⁾ <https://ec.europa.eu/social/main.jsp?langId=en&catId=1146&newsId=9263&furtherNews=yes>

⁽³³⁾ <http://www.cedefop.europa.eu/en/publications-and-resources/publications/4161>

⁽³⁴⁾ <http://www.cedefop.europa.eu/en/publications-and-resources/publications/8120>

⁽³⁵⁾ <http://www.cedefop.europa.eu/en/publications-and-resources/publications/8127>

⁽³⁶⁾ Bulgaria, Greece, Italy, Hungary, Lithuania, Poland, Portugal and Slovenia.

⁽³⁷⁾ <http://www.cedefop.europa.eu/en/events-and-projects/events/refernet-annual-plenary-meeting-2018-0>

⁽³⁸⁾ <http://www.cedefop.europa.eu/en/events-and-projects/projects/mobility-scoreboard>

⁽³⁹⁾ <http://ec.europa.eu/social/main.jsp?langId=fr&catId=88&eventsId=1296&furtherEvents=yes>

framework developments in Europe 2017 ⁽⁴⁰⁾. It reviews the 43 NQFs in the 39 'EQF countries' and their links to the EQF. The publication shows how the work on NQFs contributes to developing more responsive, flexible and permeable qualification systems; **b) Analysis and overview of NQF level descriptors in European countries** ⁽⁴¹⁾ It demonstrates how countries have adjusted the learning outcomes approach to national needs and priorities through extensive dialogue; and how these descriptors help to define and map the complexity of a particular qualification. Related to the work on EQF were Cedefop's support to the development of the qualification pillar in the multilingual classification of European Skills, Competences, Qualifications and Occupations, **ESCO** ⁽⁴²⁾ and to UNESCO in its work on **world reference levels for qualifications**.

For its third policy learning forum on defining, writing and using **learning outcomes** ⁽⁴³⁾, the Agency also joined forces with UNESCO. The event discussed the feasibility of using learning outcomes as a common language within Europe and beyond. Its outcomes fed into the preparatory work for the next edition of Cedefop's handbook. In addition, Cedefop carried out an in-depth analysis to develop a suitable method for **comparing qualifications**.

In relation to **Europass** ⁽⁴⁴⁾ new features and developments in 2018 included: CV editor has been optimised for smart phones and is accessible to the visually impaired; CV can be shared for review; photos or attachments can be imported from the cloud; tips to prepare for job interviews were made available; the ESCO occupation pillar was integrated to the editor for testing purposes; a new, dynamic data visualisation tool for better statistical reports. Cedefop continued to provide technical and conceptual support to the European Commission in shaping the new Europass. At the time of writing, Cedefop's contribution to the new Europass platform, which will also integrate the European Skills Panorama and be developed and maintained by the Commission, was still being discussed.

Cooperation with the European Commission and Member States on a European credit system for VET (**ECVET**) and the European quality assurance framework for VET (**EQAVET**) continued. It included: support to the ECVET user group and the network meeting which Cedefop hosted; contributions to two peer learning activities; provision of expertise to the EQAVET steering committee, a working group and various events.

Complementing the platform for the European association of VET providers coordinated by the Commission, Cedefop coordinated the **European community of learning providers** and supported its working groups. In spring, the Agency organised the community's first annual meeting in Thessaloniki ⁽⁴⁵⁾.

By the end of 2018, the three-year analysis of the **Changing nature and role of VET in Europe** was completed and two further volumes of this study were released: *Education and*

⁽⁴⁰⁾ <http://www.cedefop.europa.eu/en/publications-and-resources/publications/4163>. It covers 28 EU Member States as well as Albania, Bosnia and Herzegovina, Iceland, Kosovo, Liechtenstein, Montenegro, North Macedonia, Norway, Serbia, Switzerland and Turkey.

⁽⁴¹⁾ <http://www.cedefop.europa.eu/en/publications-and-resources/publications/5566>.

⁽⁴²⁾ <https://ec.europa.eu/esco/portal/home>.

⁽⁴³⁾ <http://www.cedefop.europa.eu/en/events-and-projects/events/3rd-policy-learning-forum-defining-and-writing-learning-outcomes-vet>

⁽⁴⁴⁾ <https://europass.cedefop.europa.eu/>

⁽⁴⁵⁾ <http://www.cedefop.europa.eu/en/events-and-projects/events/first-annual-meeting-european-community-learning-providers>

labour market outcomes of VET ⁽⁴⁶⁾ and *VET's responsiveness to external change* plus 10 case-studies ⁽⁴⁷⁾. The research helped shape the priorities of the Austrian Presidency and inform the political debate and the ACVT opinion on VET post 2020. Preliminary findings and study outcomes were discussed at: the Cedefop workshop *VET in the 21st century: new pressures and changing expectations* (February) ⁽⁴⁸⁾; the Austrian Presidency conference on the future of VET (July); the Cedefop conference *VET in Europe: taking stock and looking ahead* (November) – the centrepiece of the Commission's vocational skills week hosted by Austria – where over 400 participants reflected on a set of directions VET might take; and at the Brussels-based seminar *VET in Europe: future scenarios and their implications* which Cedefop organised jointly with the Austrian Presidency.

The analysis of ***Globalisation opportunities for VET*** ⁽⁴⁹⁾ contributed complementary information. The study examined how qualifications and training of international sectoral bodies, multinational companies and other players as well as new forms of VET affect countries' national VET.

1.2. Operational Activity: Valuing VET to empower people to achieve competences and skills for work and life

As reference organisation in the field, **Cedefop** published country reports on **guidance** and outreach showing how flexible learning pathways for young people and adults can be developed ⁽⁵⁰⁾. The database *Resources for guidance* went online in February ⁽⁵¹⁾. It includes a handbook, a practitioners' toolkit, and a set of training modules for practitioners and careers service managers. The second CareersNet meeting held in June discussed support to adult learning, coordination with validation activities and the development of career management skills in youth groups. It also analysed the results of the first update of the guidance systems and practices database which helps to understand Member States' progress towards the agreed European guidelines in the field of lifelong guidance ⁽⁵²⁾.

As regards **validation of non-formal and informal learning** more generally, Cedefop participated in the steering committee of the 2018 update of the European validation inventory; contributed to the data analysis; and provided input to national reports in response to the 2012 Council recommendation. Cedefop largely contributed to the *Validation Festival* organised by the Commission (June) ⁽⁵³⁾.

Complementing the 2017 synthesis report on Cedefop's **opinion survey on VET in Europe**, a new interactive online tool was released to visualise the results ⁽⁵⁴⁾ and country reports

⁽⁴⁶⁾ <http://www.cedefop.europa.eu/en/publications-and-resources/publications/5569-0>

⁽⁴⁷⁾ <http://www.cedefop.europa.eu/en/publications-and-resources/publications/5567> .

⁽⁴⁸⁾ <http://www.cedefop.europa.eu/en/events-and-projects/events/vet-21st-century-future-trends-and-priorities>

⁽⁴⁹⁾ <http://www.cedefop.europa.eu/en/publications-and-resources/publications/5571>

⁽⁵⁰⁾ <http://www.cedefop.europa.eu/en/publications-and-resources/country-reports/guidance-outreach>

⁽⁵¹⁾ <http://www.cedefop.europa.eu/en/toolkits/resources-guidance>

⁽⁵²⁾ <http://www.elgpn.eu/publications/elgpn-tools-no-6-guidelines-for-policies-and-systems-development-for-lifelong-guidance>.

⁽⁵³⁾ <http://ec.europa.eu/social/main.jsp?langId=en&catId=88&eventsId=1314&furtherEvents=yes>

⁽⁵⁴⁾ <http://www.cedefop.europa.eu/en/publications-and-resources/data-visualisations/opinion-survey-on-vet>

were published online ⁽⁵⁵⁾. The second opinion survey round was initiated, this time focusing on image and attractiveness of adult learning and CVET.

Cedefop's work on **apprenticeships** at country and cross-national levels included several activities: **a)** the second policy learning forum for countries involved in the Agency's apprenticeship reviews; together with representatives from selected countries, EU-level social partners and international organisations, they discussed results of the **b)** reviews conducted in Belgium-Fr, Croatia, Cyprus and Sweden and completed in 2018 ⁽⁵⁶⁾; **c)** preliminary results for Croatia were presented at two conferences organised by the national chambers of economy and crafts and trades ⁽⁵⁷⁾; findings on Sweden were discussed at the annual meeting of the National Agency for Education; **d)** the outcomes of the **cross-national overview of apprenticeship schemes** in Europe covering the EU-28 plus Iceland and Norway were released in August ⁽⁵⁸⁾ and **e)** the data sets were published as a comprehensive online database. To help Cedefop update the database and, more generally, enrich the knowledge base on apprenticeships across countries, Cedefop established a dedicated community of experts; **f)** the research on apprenticeships for adults was also concluded (to be released in 2019).

Work on **financial and non-financial incentives** generated information on the funding of over 30 apprenticeship schemes in the Member States. A mapping and taxonomic analysis of the major costs and funding sources and an on-line database with detailed information on the financing arrangements were being prepared.

Activities to support the follow-up of the **upskilling pathways** Council recommendation included: **a)** the first in a series of dedicated **policy learning forums** (February); *Upskilling pathways: a vision for the future*, organised in cooperation with the EESC ⁽⁵⁹⁾ gathered representatives of all Member States, social partners' organisations and EU institutions to shed more light on the challenges national stakeholders encounter in their work to create upskilling opportunities in line with the recommendation; **b)** collecting good practices in the EU-28, Iceland and Norway on the **potential of work-based learning in developing upskilling pathways for adults**; **c)** development of a comprehensive analytical framework for designing and realising such pathways; **d)** a quantitative mapping of low-skilled adults at national level.

In 2018, Cedefop launched a new research on **complementary pathways for adult refugees** ⁽⁶⁰⁾. Its aim is to explore how VET, skills and qualifications can contribute to designing socially sustainable and effective mechanisms to improve the management of refugees and people in need of international protection within and between Member States. In a workshop (October) representatives of key international organisations discussed the

⁽⁵⁵⁾ <http://www.cedefop.europa.eu/en/events-and-projects/networks/refernet/thematic-perspectives/opinion-survey-on-vet>

⁽⁵⁶⁾ <http://www.cedefop.europa.eu/en/events-and-projects/projects/apprenticeships-work-based-learning#1>.

⁽⁵⁷⁾ <https://supportapprenticeships.eu/en/the-international-expert-conference-concludes-the-project-get-involved-in-ep4a-european-partnerships-for-apprenticeships/> and <https://www.dualnoobrazovanje.hr/closing-conference-of-the-cap4app-project>

⁽⁵⁸⁾ <http://www.cedefop.europa.eu/en/publications-and-resources/publications/4166>.

⁽⁵⁹⁾ <http://www.cedefop.europa.eu/en/events-and-projects/events/policy-learning-forum-upskilling-pathways-vision-future-0>

⁽⁶⁰⁾ <http://www.cedefop.europa.eu/en/about-cedefop/public-procurement/complementary-pathways-adult-refugees-role-vet-skills-and>

potential of designing a skills-based mechanism complementing humanitarian policy and initiatives based on a labour demand-driven approach.

Continued support was provided to ET-2020 working groups: **a)** the group on VET which focused on the professional development of **VET teachers and (in-company) trainers**; its publication *Teachers and trainers matter* ⁽⁶¹⁾ drew on Cedefop analyses and evidence; **b)** the group on **schools** which looks into teachers' and school leaders' careers and quality assurance. Main findings from Cedefop's work on professional development of teachers and trainers in apprenticeships and work-based learning were disseminated at a conference of the European Alliance for Apprenticeships (April) ⁽⁶²⁾.

Several initiatives were taken to promote the **VET toolkit for tackling early leaving** ⁽⁶³⁾. This included: **a)** establishing a community of practice ('Ambassadors') and continuous update and enrichment of its content with its assistance; **b)** continued progress in the work to expand the toolkit into an **online resource on VET policies and practices for labour market integration and social inclusion**; **c)** support to events by the Council of Europe's ad hoc committee of experts for Roma and Traveller issues ⁽⁶⁴⁾ and the EESC ⁽⁶⁵⁾; **d)** support to the ET-2020 working group on promoting citizenship and the common values of freedom, tolerance and non-discrimination through education.

1.3. Operational Activity: Informing VET by offering labour market intelligence and skill needs analysis

A new version of the **Skills Panorama** was released ⁽⁶⁶⁾ which is faster to navigate and easier to use to attract broader user groups, notably guidance practitioners. New features of the website include: improved search engine, based on the ESCO classification; enhanced presentation of data and visualisations and better integration of data and analysis explaining what drives the demand for jobs and skills; a section on institutions providing labour market intelligence in each Member State; a specific section bringing labour market intelligence guides and toolkits together; new indicators and the new edition of the European skills index (ESI). Data and analyses were kept up-to-date and complemented with: Cedefop's forecast data and a summary of key EU trends until 2030; the new version of the European Skills Index and new blog articles on various themes ⁽⁶⁷⁾.

After its launch in autumn 2018, Cedefop's **European Skills Index** immediately became the most visited section of the Panorama, demonstrating the value of this new composite indicator to measure and compare the performance of the skills formation and matching

⁽⁶¹⁾ <https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8131&furtherPubs=yes>

⁽⁶²⁾ <http://ec.europa.eu/social/main.jsp?langId=en&catId=1147&eventsId=1315&furtherEvents=yes> .

⁽⁶³⁾ <http://www.cedefop.europa.eu/TEL-toolkit> .

⁽⁶⁴⁾ <https://rm.coe.int/09000016808c80cc..>

⁽⁶⁵⁾ <https://www.eesc.europa.eu/en/agenda/our-events/events/addressing-early-school-leaving-amongst-roma-current-situation-and-way-forward> .

⁽⁶⁶⁾ <https://skillspanorama.cedefop.europa.eu/en> .

⁽⁶⁷⁾ <http://skillspanorama.cedefop.europa.eu/en/blog> .

systems in the Member States ⁽⁶⁸⁾. The index was presented at a dedicated event in September hosted by the EESC ⁽⁶⁹⁾ and also disseminated via a Briefing Note ⁽⁷⁰⁾.

Cedefop's **skills forecast** until 2030 was released in June and the new set of results was disseminated through various activities, including a redesigned web portal, a Briefing Note ⁽⁷¹⁾ and a joint publication with Eurofound ⁽⁷²⁾. The forecast provided data on jobs and skills for all Member States by sectors and occupational groups. The findings of the forecast and the skills index are important for the implementation of the EU *New skills agenda* and the European Pillar of Social Rights.

Throughout 2018 Cedefop cooperated with Eurofound to prepare alternative scenarios and skills forecasts on **the future of manufacturing**, a project sponsored by DG Internal Market, Industry, Entrepreneurship and SMEs and the European Parliament. This demonstrates the quality and value added of Cedefop's projections which were used by Eurofound and the synergies the two agencies created.

Cedefop continued its work to develop a **pan-European tool for analysing current and emerging skill needs using online vacancies and big data analysis techniques**. This cutting edge project attracted the attention of Commissioner Thyssen's Cabinet. Cedefop was requested to accelerate the delivery and release a first set of data in early 2019. For this purpose: **a)** the necessary infrastructure was tested and the methodology was presented to experts from Eurostat, the Joint Research Centre, the European Commission and other research institutes; **b)** 65 million vacancies were gathered until the end of the year; **c)** an analysis of online job markets and their characteristics across countries was finalised. It was the first time that such comparative analysis was undertaken for all EU Member States; **d)** cooperation with Eurostat's Big Data task force continued to work towards the development of an EU tool for vacancies statistics in line with the requirements of the European statistical system, which also led to closer cooperation with Eurostat's network ⁽⁷³⁾ and various national statistical institutes; a joint paper was prepared for the conference of the Directors General of the National Statistical Institutes ⁽⁷⁴⁾ e) the results of this work are also expected to help develop ESCO and in particular the skills taxonomy further.

Cedefop's and Eurostat's long-standing cooperation to improve **education, training and labour market statistics** data and statistics and their use for policy focussed on analysing the most recent continuing vocational training survey (CVTS). Participation in Eurostat working groups and task forces related to the preparation of the 2022 and 2024 modules of the EU Labour Force Survey on skills and jobs and entry of young people.

⁽⁶⁸⁾ <http://skillspanorama.cedefop.europa.eu/en/indicators/making-skills-work-index3>.

⁽⁶⁹⁾ <http://www.cedefop.europa.eu/en/events-and-projects/events/introducing-european-skills-index>.

⁽⁷⁰⁾ <http://www.cedefop.europa.eu/en/publications-and-resources/publications/9132>.

⁽⁷¹⁾ <http://www.cedefop.europa.eu/en/publications-and-resources/publications/9130>.

⁽⁷²⁾ <http://www.cedefop.europa.eu/en/publications-and-resources/publications/3077>.

⁽⁷³⁾ European statistical system network.

⁽⁷⁴⁾ The Conference discusses topics related to the statistical programme and methods and processes for producing Community statistics. <http://www.dgins2018.ro/wp-content/uploads/2018/10/16-online-job-vacancies-v5-1.pdf>.

Based on past collaboration on **skills for green jobs**, Cedefop and the ILO joined forces again to map relevant developments in this area. Cedefop updated the reports for Denmark, Germany, Spain, Estonia, France, and the UK.

Key activities and outcomes of Cedefop research on and its support to capacity-building for **skills anticipation and matching in the EU and in particular designing better targeted and more effective policy solutions** included: **a)** continued work on **country reviews** to help strengthen the governance of skills anticipation and matching systems of Bulgaria, Greece and Slovakia; and launch of the work on Estonia; **b)** a dedicated **policy learning forum on skills anticipation and practice** as a key output of the country reviews (June) for national stakeholders from the four countries and other experts; **c)** **participation of Cedefop staff in committees for Greece's national skills diagnosis system** has helped to deepen the cooperation of Cedefop and its host country; **d)** building on and validating its earlier inventory of EU skills mismatch policies, systematic collection of 131 contemporary and innovative **EU skills anticipation and matching policy instruments** was finalised; the information was made available as an online database (December) to support Member States ⁽⁷⁵⁾; **e)** a **Brussels-based seminar on labour market and skills information systems for VET policies** together with the Bulgarian Presidency (June); over 50 participants from the Commission, European Parliament, EESC, Member States' Permanent Representations, OECD and IBM attended the seminar which also informed on tools made possible by using Big Data technology.

To support the ongoing policy discourse, Cedefop initiated a new strand of work on **digitalisation and the future of work** to analyse the impact and drivers of automation, robotics, artificial intelligence and other digital technologies on employment, skill needs and their implications for VET policy: **a)** a study on **skills formation and matching in online platform work** was launched to explore **practices and policies for promoting crowd workers' continuous learning** (CrowdLearn); first insights were shared at the Austrian Presidency conference on digitalisation of work (September) ⁽⁷⁶⁾; **b)** **the analysis on the future of work** informed: the European Group on Ethics in Sciences and New technologies ⁽⁷⁷⁾; an international working group set up by Microsoft with participation of the European Commission and Ministries from EU countries; the Bulgarian Presidency conference *Future of work: a lifecycle approach* ⁽⁷⁸⁾; **c)** analysis of the **European skills and jobs survey (ESJS)** data continued to explore implications of technological changes and automation for skills mismatch and obsolescence. Upon the Commission's request, Cedefop assessed costs and benefits which turning it into a matched employer-employee survey would entail and subsequently recommended to keep the second ESJS as an employee survey as planned but refine its focus to align it with current policy debates on the impact of digitalisation and technological change.

Preparation of the **fourth wave of the European company survey** in collaboration with Eurofound was initiated and included testing and translation of the questionnaire and subsequent modifications.

⁽⁷⁵⁾ <http://www.cedefop.europa.eu/en/tools/matching-skills/>

⁽⁷⁶⁾ <https://www.eu2018.at/calendar-events/political-events/BMASGK-2018-09-19-Conf-Digitalisation.html>.

⁽⁷⁷⁾ https://ec.europa.eu/info/research-and-innovation/strategy/support-policy-making/scientific-support-eu-policies/european-group-ethics-science-and-new-technologies-ege_en

⁽⁷⁸⁾ <https://eu2018bg.bg/en/events/301>

1.4. Transversal activity: Communication, information and dissemination

Throughout the year, Cedefop organised events and visits for key accounts and other stakeholders to keep them up to date with VET issues and Cedefop's corresponding role. Cedefop welcomed 18 delegations, in total 164 visitors, at its premises in Thessaloniki: a) visit of the **European Parliament's Committee on Employment and Social Affairs**: Ms Anne Sander, MEP (EPP), Mr Emilian Pavel, MEP(S&D) and Mr Siôn Simon, MEP (S&D) who showed special interest in cross-border mobility, the future of work and the impact of automation on skills and jobs; b) **visits** focused on **knowledge sharing** between Cedefop experts and representatives of national ministries, national VET institutes, social partner associations and international organisations, for instance on: NQFs, validation of non-formal and informal learning, skills governance, forecasting of skills needs and supply, digital economy and artificial intelligence. Cedefop also hosted a researcher from Taiwan and a delegation from Singapore.

The collaboration between Cedefop and DG EMPL was further intensified, focusing on joint social media activities. These included: **a)** Cedefop's skills forecast launch event (June); **b)** communication support to the European vocational skills week 2018 ⁽⁷⁹⁾ as well as the #CedefopPhotoAward 2018 which formed part of the DG EMPL's revised award concept in this context.

The #CedefopPhotoAward campaign 'Vocational education and training: tell your story' ⁽⁸⁰⁾ was again an excellent tool to raise VET's visibility, engage Cedefop's stakeholders, and reach out to Europeans in initial and continuing VET and adult learning. Cross-promotion in all Cedefop communication channels, including a joint social media communication campaign with DG EMPL and promotional videos, created a notable outreach. In total 100 teams comprising 304 VET learners and 81 teachers/trainers from 78 learning providers in 18 EU Member States took part in the contest. The holders of the top scores (from Italy and Hungary) were nominated for the top award at the third European vocational skills week in Vienna where the winner (Hungary) was selected by the public (online voting) and their photo stories were exhibited. The team that came third (Lithuania) was invited to the opening of the #CedefopPhotoAward exhibition on the fringes of the Thessaloniki International Film Festival (November).

Cedefop published six briefing notes ⁽⁸¹⁾: **(a)** *Improving vocational education and training through data, analyses and exchanges*; **(b)** *Qualifications frameworks in Europe: 2017 developments*; **(c)** *Reaching out to 'invisible' young people and adults*; **(d)** *Less brawn, more brain for tomorrow's workers - Cedefop's new skills forecast identifies parallel and contradictory trends and challenges*; **(e)** *Cedefop's European skills index: new tool for informed policy-making*; **(f)** *What future for vocational education and training in Europe?*

Communication activities also included a total of ten press releases ⁽⁸²⁾, three issues of Cedefop's print magazine *Skillset and match* ⁽⁸³⁾, 14 video clips and interviews ⁽⁸⁴⁾, 10 issues

⁽⁷⁹⁾ <http://www.cedefop.europa.eu/en/tags/european-vocational-skills-week>

⁽⁸⁰⁾ <http://www.cedefop.europa.eu/en/tags/cedefopphotoaward>

⁽⁸¹⁾ <http://www.cedefop.europa.eu/EN/news/briefing-notes.aspx>

⁽⁸²⁾ <http://www.cedefop.europa.eu/en/news-and-press/press-and-media/press-releases>

⁽⁸³⁾ <http://www.cedefop.europa.eu/en/news-and-press/magazines>

⁽⁸⁴⁾ <http://www.cedefop.europa.eu/publications-and-resources/videos>

of Cedefop's electronic newsletter ⁽⁸⁵⁾, 72 website headlines, 127 Facebook posts and 1 650 tweets/retweets. Compared to 2017 the number of social media followers reached 12 084 on Facebook and 7 530 on Twitter, an increase of 9.16% for Facebook and of 19.52% for Twitter.

Linguistic support, layout/design and dissemination services were provided for a variety of communication and public relation activities. Most publications were only made available online, but there is still a need for print-on-demand and dissemination of hardy copy products. Briefing notes and research papers were also made available in e-book format. A video animation on VET in Bulgaria ⁽⁸⁶⁾ was published (September).

Cedefop's web portal ⁽⁸⁷⁾ developments focused on increasing usability and outreach by enhancing data visualisation opportunities. 'Resources for guidance' ⁽⁸⁸⁾ providing a decision making tool and country specific fiches was released in February; the content of the 'Financing adult database' ⁽⁸⁹⁾ was revised, functionalities improved and new interfaces introduced; the 'European opinion survey on VET' ⁽⁹⁰⁾, covering results from 28 countries, and the 'European database on apprenticeship schemes' ⁽⁹¹⁾, allowing for cross-country and cross-scheme comparison, were both launched in summer; Cedefop's 'Skills forecasts data visualisations' ⁽⁹²⁾, released in June, offers dynamic cross-country comparisons about labour force, job openings and employment trends in sectors, occupations and qualifications; the 'skills anticipation and matching policy instruments' ⁽⁹³⁾, presents a collection of instruments that use labour market and skills intelligence.

Cedefop's Research Support Centre continued providing valuable scientific information to the operational departments and access to all subscribed electronic resources and open access databases. Archive and records management successfully continued the preservation of the memory of the Agency and ensured that organisational records are authentic, reliable, and accessible to meet business, financial, and legal obligations.

⁽⁸⁵⁾ <http://www.cedefop.europa.eu/en/news-and-press/newsletters>

⁽⁸⁶⁾ <http://www.cedefop.europa.eu/en/publications-and-resources/videos/watch-bulgarias-vet-system-220>

⁽⁸⁷⁾ <http://www.cedefop.europa.eu/en>

⁽⁸⁸⁾ <http://www.cedefop.europa.eu/en/toolkits/resources-guidance>

⁽⁸⁹⁾ <http://www.cedefop.europa.eu/en/publications-and-resources/tools/financing-adult-learning-db>

⁽⁹⁰⁾ <http://www.cedefop.europa.eu/en/publications-and-resources/data-visualisations/opinion-survey-on-vet>

⁽⁹¹⁾ <http://www.cedefop.europa.eu/en/publications-and-resources/data-visualisations/apprenticeship-schemes>

⁽⁹²⁾ <http://www.cedefop.europa.eu/publications-and-resources/data-visualisations/skills-forecast>

⁽⁹³⁾ <http://www.cedefop.europa.eu/en/tools/matching-skills>

II. PART II: ORGANISATIONAL MANAGEMENT AND INTERNAL CONTROL

Cedefop's administration and internal services support operations effectively and efficiently. Cedefop conducts its operations in compliance with the applicable rules and regulations, working in an open and transparent manner and meeting the expected high level of professional and ethical standards.

II.1. Management Board

The 96th Governing Board meeting was held in Thessaloniki on 13 November 2018.

Throughout the year, Cedefop reported on a regular basis to its (Enlarged) Bureau and Governing Board members on risks and control issues. Regular updates were provided on audit and evaluation activities (ECA, IAS, and other sources of assurance) at Bureau, Enlarged Bureau ⁽⁹⁴⁾ and Governing Board meetings. Related key issues submitted to or discussed with the Bureau/Governing Board included:

a) Extraordinary Bureau meeting on 24 January 2018

Discussion on the draft vacancy notice for the selection of a new Cedefop Director, roadmap for the selection and draft composition of the Pre-selection Committee ⁽⁹⁵⁾

b) Enlarged Bureau meeting on 12 March 2018:

- Awareness session of Pre-selection Committee members ⁽⁹⁶⁾;
- Reporting on the selection procedure for a new Cedefop Director ⁽⁹⁷⁾;
- Draft Annual report 2017 ⁽⁹⁸⁾;
- Reporting from the Director on the new internal legal function ⁽⁹⁹⁾;
- Implementation of Work Programme 2018 ⁽¹⁰⁰⁾;
- Estimate of Revenue and Expenditure 2019 ⁽¹⁰¹⁾;
- Update from the European Commission on the Common Approach and the Revision of Cedefop's Founding Regulation and Terms of Reference of the Cross-cutting evaluation of the four EU Agencies falling under the remit of DG Employment ⁽¹⁰²⁾;
- The future of Europass and Cedefop's role ⁽¹⁰³⁾;
- Audits and Evaluations ⁽¹⁰⁴⁾;
- Discharge 2016 ⁽¹⁰⁵⁾;

⁽⁹⁴⁾ In compliance with Article 3(5) of its revised Rules of Procedure, the Governing Board may decide to enlarge the Bureau for meetings with strategic issues for future Governing Board decisions. – OJ C182 of 04.08.2006, p.2

⁽⁹⁵⁾ RB(2018)00071_item 2a and RB(2018)00070_item 02b

⁽⁹⁶⁾ No documentation

⁽⁹⁷⁾ No documentation-item 3

⁽⁹⁸⁾ RB(2018)00273-item 4a

⁽⁹⁹⁾ RB(2018)00351 - item 4c

⁽¹⁰⁰⁾ RB(2018)00324 – item 5

⁽¹⁰¹⁾ RB(2018)00346 – item 6

⁽¹⁰²⁾ No documentation-information provided by the Commission – item 8

⁽¹⁰³⁾ No documentation-information provided by the Commission – item 9

⁽¹⁰⁴⁾ RB(2018)00337 – item 10a

c) Extraordinary Bureau meeting on 5 June 2018 ⁽¹⁰⁶⁾

d) Enlarged Bureau meeting on 2 July 2018:

- Reporting on the selection for a new Cedefop Director ⁽¹⁰⁷⁾;
- Implementation of Work Programme 2018 ⁽¹⁰⁸⁾;
- Priority setting for Work Programme 2019 ⁽¹⁰⁹⁾;
- Assessment of Legal Function ⁽¹¹⁰⁾;
- New Europass: state of play and next steps ⁽¹¹¹⁾;
- Update on the revision of Cedefop's Founding Regulation ⁽¹¹²⁾;
- Update on the Cross-cutting evaluation of the four EU Agencies falling under the remit of DG Employment ⁽¹¹³⁾;
- Audits and Evaluations ⁽¹¹⁴⁾;
- Discharge 2016 ⁽¹¹⁵⁾;
- In-camera meetings on legal and confidential issues

e) Enlarged Bureau meeting on 27 September 2018:

- Reporting on the selection for a new Cedefop Director ⁽¹¹⁶⁾;
- Alternative options for Cedefop's in-house legal function ⁽¹¹⁷⁾;
- Progress Report 2018 ⁽¹¹⁸⁾;
- New Europass: state of play and next steps ⁽¹¹⁹⁾;
- Update on the revision of Cedefop's Founding Regulation ⁽¹²⁰⁾;
- Update on the Cross-cutting evaluation of the four EU Agencies falling under the remit of DG Employment ⁽¹²¹⁾;
- Audits and Evaluations ⁽¹²²⁾;
- Discharge 2016 ⁽¹²³⁾

f) Governing Board meeting on 13 November 2018:

- Presentation of short-listed candidates for the appointment of a new Director ⁽¹²⁴⁾;
- Update on the Common Approach and Revision of Cedefop's Founding Regulation ⁽¹²⁵⁾;
- Renewal of the Deputy Director until 31 December 2021 ⁽¹²⁶⁾;

⁽¹⁰⁵⁾ RB(2018)00336 – item 10b

⁽¹⁰⁶⁾ Confidential in-camera meeting – no agenda and no documentation available

⁽¹⁰⁷⁾ No documentation – item 3

⁽¹⁰⁸⁾ RB(2018)01106 – item 4

⁽¹⁰⁹⁾ RB(2018)01162 – item 5

⁽¹¹⁰⁾ RB(2018)01260 and RB(2018)01261 – item 6

⁽¹¹¹⁾ No documentation-information provided by the Commission – item 8

⁽¹¹²⁾ No documentation-information provided by the Commission – item 9

⁽¹¹³⁾ No documentation-information provided by the Commission – item 10

⁽¹¹⁴⁾ RB(2018)01210 – item 11a

⁽¹¹⁵⁾ RB(2018)01116 – item 11d

⁽¹¹⁶⁾ No documentation – item 3

⁽¹¹⁷⁾ RB(2018)01599 – item 4

⁽¹¹⁸⁾ RB(2018)01638 – item 5

⁽¹¹⁹⁾ No documentation-information provided by the Commission – item 7

⁽¹²⁰⁾ No documentation-information provided by the Commission - item 8

⁽¹²¹⁾ No documentation-information provided by the Commission – item 9

⁽¹²²⁾ RB(2018)01622– item 10a

⁽¹²³⁾ RB(2018)01608 – item 10d

⁽¹²⁴⁾ No documentation – Item 3

⁽¹²⁵⁾ No documentation-information provided by the Commission - Item 4

⁽¹²⁶⁾ No documentation – Item 5

- Progress Report on the Work Programme 2018 ⁽¹²⁷⁾;
- Final draft Programming Document 2019-2021 ⁽¹²⁸⁾;
- Outcomes of the cross-cutting Evaluation of the four EU Agencies falling under the remit of DG Employment ⁽¹²⁹⁾
- Audits and Evaluations ⁽¹³⁰⁾

At each meeting, the Governing Board, the Enlarged Bureau and the Bureau were informed by the representatives of the European Commission on progress of the ongoing revision of Cedefop's Founding Regulation and the cross-cutting evaluation of the four EU agencies falling under the remit of DG Employment.

A list of key decisions adopted by the Governing Board in 2018 is available in annex VIII.

II.2. Major developments

The overall policy framework with its general EU and education and training 2020 targets and objectives underpinned by the specific policy initiatives of the past years remained valid in 2018. Among others, these included: the 2016 European skills agenda, the 2015-20 priority areas for countries' joint work on VET and the 2017 revision of the Council recommendation to establish a European framework (EQF) ⁽¹³¹⁾. The 2018 annual growth survey ⁽¹³²⁾ advocated investments in high quality education and training to provide people with the right skills and support them through a changing labour market. Delivering on the upskilling pathways recommendation and the skills agenda more generally and supporting the social rights pillar were among the priority areas outlined by the European Council at the end of 2017 ⁽¹³³⁾.

Equal rights to quality and inclusive education, training and lifelong learning so that everyone can gain and maintain the skills to partake in society and manage labour market transitions – this first principle of the social rights pillar clearly relates to Cedefop's work at the interface between VET and the labour market. Several of the issues that underpin its principles are also closely linked to Cedefop activities; notably those advocating citizens' rights and opportunities to have their skills and competences assessed and valued, to receive tailored support and guidance and the chance to (re)access education and training. To support the pillar, Cedefop drew on its long-standing expertise as well as new findings and tools released in the course of 2018 but also carried out new activities.

In line with the Agency's vision and values, the three main thematic strategic areas of operation defined for the programming period 2018-20 guided the work in 2018: shaping VET, valuing VET, and informing VET. This included balancing the three key functions: maintaining and further reinforcing research and analyses to provide new evidence; monitoring and analysing policy developments; and strengthening its knowledge broker role for countries and stakeholders, providing country-based evidence to support policy learning and implementation.

⁽¹²⁷⁾ RB(2018)01800 – Item 6

⁽¹²⁸⁾ RB(2018)01871 – item 8a

⁽¹²⁹⁾ No documentation-information provided by the Commission – item 9

⁽¹³⁰⁾ RB(2018)01860 - Item 10a

⁽¹³¹⁾ <https://publications.europa.eu/en/publication-detail/-/publication/ceed970-518f-11e7-a5ca-01aa75ed71a1/language-en> [accessed on 07.05.2018].

⁽¹³²⁾ https://ec.europa.eu/info/sites/info/files/2017-comm-690_en_0.pdf.

⁽¹³³⁾ <http://www.consilium.europa.eu/media/32179/14-final-conclusions-en.pdf>.

The demand for Cedefop's expertise in supporting the follow-up of upskilling pathways remained high and required pooling the expertise from all its activities within its specific strand of work dedicated to VET for labour market integration and social inclusion but also others. These include the Agency's reviews of countries' common priorities for VET and its expertise on: career guidance; validation of non-formally acquired skills; qualification frameworks.

2018 was marked by reflections on the future of VET and the related EU-level cooperation. The focus on the future of work and VET during the Bulgarian and Austrian Presidencies – closely linked to the effects of new economic and technological demands – highlighted that Europe's social objectives need to be part and parcel of its thrive for excellence, innovation and competitiveness. This reflected the growing recognition that devising employment, social and education and training policies requires concerted and forward-looking approaches to tackle Europe's multiple and complex challenges. In addition to the continuing high demand for Cedefop's expertise in its different strands of work, this required pooling its expertise across these areas and involving more human resources in the different support activities.

This trend manifested itself in 2018 in several ways: a) joint events with and contributions to events with the European Commission, the Presidency countries and other organisation which required increased coordination in terms of organisation and content; b) policy learning events which require more targeted and in-depth preparation than traditional conferences; c) adjusting existing and providing more electronic/web-based tools to reach a wider spectrum of stakeholders;

Examples include: the Commission's event to celebrate the 10th anniversary of the EQF and the European validation festival which Cedefop helped to shape; the Commission's invitation to put the conference on VET's changing role and its future into the limelight of the European vocational skills week; the policy learning forum on upskilling pathways jointly organised with the European Economic and Social Committee; policy learning fora on skills anticipation and practices, apprenticeships and learning outcomes. Discussions of Directors General for VET (DGVT), the Advisory Committee for Vocational Training (ACVT) and the Austrian Presidency VET conference focused on developing a shared vision for future European VET policy, raised the demand for Cedefop's related research and presentation of its findings. These reflections culminated in the formulation of a vision by the ACVT to guide EU policy to which the Agency contributed also through several other strands of its work throughout the year.

Other policy initiatives related to the skills agenda as well as a European education and training area ⁽¹³⁴⁾ influencing Cedefop's work in 2018 include: the recommendation on a framework for quality and effective apprenticeships which includes elements of the Agency's basis for country reviews ⁽¹³⁵⁾; the revised key competence recommendation ⁽¹³⁶⁾; the Council recommendations on tracking graduates ⁽¹³⁷⁾ to reinforce feedback loops to VET provision and on promoting automatic mutual recognition of higher education and upper secondary education and training qualifications and the outcomes of learning periods abroad;

⁽¹³⁴⁾ https://ec.europa.eu/education/education-in-the-eu/european-education-area_en
⁽¹³⁵⁾ [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018H0502\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018H0502(01)&from=EN) [accessed 27.05.2019].
⁽¹³⁶⁾ [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018H0604\(01\)&rid=7](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018H0604(01)&rid=7) [accessed 27.05.2019].
⁽¹³⁷⁾ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32017H1209%2801%29> [accessed 27.05.2019].

and initiatives within the digital skills and jobs coalition and the Commission communication on artificial intelligence ⁽¹³⁸⁾.

The 2018 decision by the European Parliament and the Council on a common framework for the provision of better services for skills and qualifications (Europass) ⁽¹³⁹⁾ aims to establish a comprehensive platform of web-based tools and information portals to aid transnational mobility for work and learning. The Commission intends to integrate the current Europass ⁽¹⁴⁰⁾ and the Skills Panorama ⁽¹⁴¹⁾ – managed so far by Cedefop on its behalf – in this new platform. Since October 2016, Cedefop has been contributing to the Commission’s business analysis devised to define how this vision can be realised while maintaining and attuning the current portals. Cedefop’s future involvement in and contributions to the new Europass platform were still under discussion by the end of 2018. This created uncertainty about Cedefop’s future involvement in and contributions to the new Europass platform.

The Commission’s interest in one of Cedefop’s cutting edge projects using big data to understand employers’ skill demand entailed an agreement with Eurostat and cooperation with its big data task force; as well as re-planning and advancing the work in 2017 and 2018 to ensure data would become available in 2019. The Commission’s increasing need for more evidence-based research and regular up-to-date country-based information have stretched Cedefop’s capacities: among others, in 2018, these included input to its work on the European semester, the education and training monitor and the support to the European alliance for apprenticeship, for instance the database for apprenticeship schemes.

The end of 2018 was marked by two important developments: the agreement on the ACVT’s opinion on the future of VET post 2020 ⁽¹⁴²⁾; and the adoption of Cedefop’s recast Founding Regulation ⁽¹⁴³⁾ replacing the one dating from 1975 when the Agency was established which subsequently came into force on 20 February 2019.

While both developments will guide the Agency’s planning and activities in 2019 and the years to come, the new Agency Regulation was the most important external development in 2018 for Cedefop, its Governing Board and its staff. Its modernised mandate acknowledges Cedefop’s role bridging VET and the labour market and the scope of activities and directions it has taken under the Board’s guidance and supervision throughout the years. It maintains the Board’s tripartite nature, reflecting a key ingredient for successful VET policy.

The review of the Agency Regulation also drew on the outcomes of an external evaluation of Cedefop and the other Agencies within the remit of DG Employment – Eurofound, EU-OSHA and ETF carried out in 2017. The four Agencies had been assessed individually and from a comparative perspective to consider potential future synergies and scenarios in the light of the ‘Common Approach’ adopted in 2012 and the Commission’s proposal to set up a

⁽¹³⁸⁾ <https://ec.europa.eu/digital-single-market/en/news/communication-artificial-intelligence-europe>

⁽¹³⁹⁾ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018D0646&from=en>

⁽¹⁴⁰⁾ A portfolio of five documents to make people’s skills and qualifications clearly and easily understood in Europe established by Decision No 2241/2004/EC <https://europass.cedefop.europa.eu/>

⁽¹⁴¹⁾ The Skills Panorama turns labour market data into useful, accurate and timely intelligence that helps policy-makers in making their decisions on skills and jobs in Europe <http://skillspanorama.cedefop.europa.eu/>

⁽¹⁴²⁾ <https://ec.europa.eu/social/main.jsp?catId=89&furtherNews=yes&langId=en&newsId=9263>.

⁽¹⁴³⁾ <http://data.consilium.europa.eu/doc/document/ST-15481-2018-INIT/en/pdf>; finally published as Regulation (EU) 2019/128 of the European Parliament and of the Council of 16 January 2019 establishing a European Centre for the Development of Vocational Training (Cedefop) and repealing Council Regulation (EEC) No 337/75. Official Journal of the European Union, L 30, 31.1.2019, p. 90-105. In force from 20 February 2019. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L:2019:030:TOC>.

European Labour Authority. The final reports became available in 2018. The overall positive assessment and the confirmation that Cedefop's work provides added value and is complementary to not overlapping with the activities of others was encouraging. The cross-agency evaluation was also positive while highlighting areas for improvement and closer cooperation. The Commission's recommendations became available in April 2019 (see II. 5.5 Evaluations).

Identifying potential areas for cooperation between the four Agencies within the remit of DG Employment and the planned Labour Authority was one of the tasks of the advisory group the Commission set up in 2018. Cedefop contributed ideas and participated in the meetings held in 2018. Complementarity with the existing Agencies manifested itself in Cedefop's joint venture with Eurofound on the skills forecast; collaboration to prepare a joint European company survey with Eurofound; or the joint Cedefop-ETF review of progress in countries' joint priorities for VET. Throughout the year Cedefop also cooperated with the Commission's Joint Research Centre, Eurostat, OECD, ILO and UNESCO to the benefits of both sides. As regards resources and legal advice, cooperation took place within the EU agency network.

As regards internal developments, following an inconclusive vote of Cedefop's Governing Board on the renewal of the Director's mandate in October 2017, the Commission had decided to launch a new recruitment procedure. The procedure to select a new Director was carried out in 2018. In November, the Governing Board proposed a list of three candidates to the Commission. At the end of 2018, the Commission's decision was pending ⁽¹⁴⁴⁾.

After the departure of Cedefop's Director in May 2018, the Governing Board entrusted the Deputy Director with managing the Agency as of 1 June until a new Director would take office. Subsequently, another Internal Control Coordinator (ICC) was appointed for the transitional period to avoid conflict of interest regarding her duties as Deputy Director/ICC and her role as acting Director in compliance with the principles of segregating duties and Cedefop's Financial Rules.

In 2018, Cedefop was facing an increasingly challenging situation especially in terms of lack of capacity: Director's post vacant from June 2018; post of the Head of Resources and Support (DRS) vacant from April 2016; Head of Human Resources post vacant from April 2017; no in-house legal advisor since November 2017 following the decision of the former Director to abolish the Agency's internal legal service. These developments caused disruptions and important additional workload for management and staff.

To help address the challenges and re-establish stability and to ensure efficient functioning of the Agency, several measures were taken in the second half of the year: a member of Cedefop's middle management with long-standing experience in the Agency was reassigned to Head of the Department DRS; an experienced Cedefop expert was reassigned to lead the Department for Skills and Labour market for the transitional period; several measures were taken to improve communication and transparency in decision-making, including by introducing regular general staff assemblies to present and discuss issues relating to administration, programming of Cedefop's work and activities, challenges encountered as well as to communicate management decisions and the rationale underpinning those. Moreover, the comprehensive action plan to the 2017 staff survey was finalised following a participatory approach and its implementation was progressing as planned.

⁽¹⁴⁴⁾ The final decision was published on 3 April 2019.

With increasing demands on VET and Cedefop, and growing tasks, in number or scope, managing the same budget in nominal terms over time implies a cut in real terms. In addition, the reduction of posts in Cedefop's establishment plan demanded by the Institutional agreement and the establishment of a redeployment pool for agencies led to the further cut of one post. In 2018, it stood at 91 (down from 100 in 2013), bringing the total cuts up to the requested 10%.

Having to do more with less required continuing efforts to rationalise, streamline procedures and redeploy staff and redirect funds where possible to the Agency's core business. Nevertheless, the limited resources required setting priorities in close cooperation with the Governing Board, downsizing and cancelling some of the planned activities. This resulted, for instance, in the decision not to engage in any new country reviews on apprenticeships and skills governance – two activities that directly support Member States and that have been highly appreciated by the respective countries. Instead, it was decided to focus resources on policy learning and capacity-building activities that can benefit several countries at a time.

Sound management and concerted action, careful planning, prioritisation of expenditures and transfers to redirect available funds made it possible to deliver Cedefop services efficiently and effectively in support of its core business. The exceptionally high budget execution attained by the Agency in 2018 exemplifies this: 100% execution rate of commitment appropriations and 99.9% execution rate of payment appropriations.

II.3. Financial management

This section summarises information presented in Cedefop's Report on Budgetary and Financial Management for the financial year 2018.

Rate and type of implementation of appropriations

In 2018, Cedefop continued to utilise essentially all of its available funding with an overall budget implementation rate of 100%. In particular:

- from a total final Title 1 budget of EUR 10 174 062 commitments to the value of EUR 10 173 903 were raised, representing an execution rate of 100%;
- from a total final Title 2 budget of EUR 1 561 974 commitments to the value of EUR 1 561 970 were raised, representing an execution rate of 100%;
- from a total final Title 3 budget of EUR 6 114 174 commitments to the value of EUR 6 113 721 were raised, representing an execution rate of 100%.

The budget revenue available and executed in 2018 included, besides the EU contribution of EUR 17 434 000, an amount of EUR 406 210 of contributions from associated countries Norway and Iceland, and an amount of EUR 10 000 of miscellaneous own revenue.

Indication of commitments for actions that will extend for more than one financial year; major items only

Title 3 appropriations are differentiated appropriation and multi-annual in nature.

The contracts ⁽¹⁴⁵⁾ signed in 2018 which gave rise to commitments extending for more than one financial year, which were booked on Title 3 (Operational activities) of the budget, are listed below:

Budget line	Title of procedure	Expires	Amount (committed in 2017)
3240	Order form 5 - Skills Forecast	31/05/2020	269.850,00
3240	Specific Contract No 17-3030-21/3 - 4th European Company Survey (with Eurofound)	15/12/2019	797.950,00
3340	Order form 6 - Europass Services Work Package 6	31/12/2019	199.500,00
3340	Order form 3 - WA 3 - Comparing VET Qualifications	31/08/2020	176.050,00
3340	Order form 4 - WA 4 - Comparing VET Qualifications	31/12/2020	200.800,00
3440	Order form 2 – WA 2 – Opinion Survey on AL & CVET	30/09/2019	1.207.600,00
3440	Long-term cross-country mobility in apprenticeships	31/10/2020	275.775,00

Information on transfers and amending budgets

The Director signed transfers between budget items, during 2018, which are summarised below (net effect between Titles):

- a **decrease** in Title 1 (staff expenditure) appropriations by EUR 532 199;
- a **decrease** in Title 2 (administrative expenditure) appropriations by EUR 37 026;
- an **increase** in Title 3 (operational expenditure) appropriations by EUR 569 225.

The transfers directed the surplus created in Titles 1 and 2, mainly attributed to the departure of staff and ongoing recruitment procedures for vacant posts in high grades, to Title 3, in order to support Cedefop's core business by supplementing operational projects and contributing to the Work Programme 2018 implementation. The transferred funds were successfully invested in operational projects launched before the end of the year.

The Agency did not adopt any amending budget in 2018.

Appropriations carried forward to the following financial year

The Agency committed its annual budget (at a rate of 100%, as detailed above), within the year 2018. No non-automatic carry overs were needed.

The appropriations carried forward to 2019 in order to honour commitments made in 2018, are summarised below:

- Title 1 appropriations carried forward to 2019 were EUR 145 058 or 1.43% of the final Title 1 funds for the year;
- Title 2 appropriations carried forward to 2019 were EUR 525 229 or 33.63% of the final Title 2 funds for the year;
- Title 3 appropriations are differentiated appropriation and multi-year in nature.

Implementation of appropriations carried forward from the previous financial year

Of Euro 200 053 Title 1 appropriations brought forward, Euro 22 381 were cancelled.

⁽¹⁴⁵⁾ Major contracts are shown only, with the threshold set at 100.000 EUR.

Of Euro 358 564 Title 2 appropriations brought forward, Euro 39 755 were cancelled.

Title 3 appropriations are differentiated appropriation and multi-year in nature.

Percentage of procurement procedure types used

31 procurement procedures were processed in 2018.

Type of procedure	2018		
	Number	%	Comments
Open	8	26%	Of which 1 (12%) were call for proposals
Negotiated	23	74%	Of which 2 (8%) were calls for proposals
Restricted	0		
Total	31	100%	

Information on interest charged by suppliers through late payments (> 30 days)

Not applicable.

Summary information on budgetary operations

Cedefop continues to use its funds effectively and efficiently with a budget implementation rate of 100%. These exceptionally high figures were achieved in spite of the staff turnover observed in 2018 which not only increased the workload on the remaining staff but resulted in savings in the personnel budget which were utilised efficiently within the programme. Cedefop utilises bespoke systems to constantly track its current and anticipated expenditures to ensure all funds are utilised by the end of the year.

II.4. Human Resources management

On 31 December 2018 the occupation rate of the establishment plan was 96% (of 91 authorised posts in the establishment plan 87 posts were filled (including one job offer which counts as post filled)). The overall gender balance at Cedefop was 59% female to 41% male. Women are well represented at all grades including at management level. Cedefop also aims to ensure a geographical balance.

Staff regulations implementation is on track. Following consultation with the Staff Committee and the agreement of the Governing Board, Cedefop opted out of the Commission implementation provisions on contract staff and to wait for a model decision applicable to Agencies to be available in 2019. In the second half of 2018 Cedefop prepared and consulted with the Staff Committee for new Implementing Rules on the function of advisor, middle management and whistleblowing. These model decisions were adopted by the Management Board early 2019.

The action plan to the 2017 staff engagement survey was developed using a participatory approach and its implementation started in 2018. The Bureau and Governing Board have been regularly kept informed of the developments.

A learning and development strategy (2018-20) was approved in April 2018. A cross-department working group developed a concept for knowledge building experts' seminars series, which was approved by management in early 2019. The preparation for the first seminar is underway. A staged management development programme commenced in 2018

and 5 coaching sessions took place during the year. The in-house training offer in 2018 comprised an EIPA workshop on policy impact evaluation, and advanced project management training.

Cedefop continued throughout the year to put emphasis on activities that aim to improve staff wellbeing, a respectful work environment and dignity at work. In-house training was offered on prevention of harassment and work-life balance. Individual coaching was offered to support resilience building. The call for volunteers for new confidential counsellors was launched in summer 2018. The candidates participated in the first part of the mandatory training in November 2018. The training will be concluded in 2019 and new confidential counsellors will be appointed and assume the role by September 2019.

II.5. Audit observations and recommendations

II.5.1. Follow up of recommendations and audits

Cedefop's internal auditor is the Internal Audit Service of the European Commission (IAS) and the Agency is annually controlled by the European Court of Auditors (ECA). The Agency informs the European Parliament on the results of the audits upon request of the Discharge Authority.

Following each audit, Cedefop draws up an action plan for the implementation of all recommendations. A regular monitoring of actions is carried out by the Internal Control Coordinator. A consolidated action plan, updated at least biannually, is posted on Cedefop's intranet, accessible to all staff.

Cedefop is also following up closely on the recommendations received from the Discharge Authority.

In addition to the audits conducted by the IAS and ECA, Cedefop has developed several procedures and tools to allow systematic ex-post and ex-ante controls and evaluations and thus further ensures that the necessary control layers and actions are in place and implemented.

II.5.2. Internal Audit Service

Following the agreed IAS Strategic Audit Plan for 2017-2019, the IAS conducted an audit on Cedefop's HR Management and Ethics from 14 to 18 January 2018. To prepare the audit and refine its scope and objectives, the IAS conducted preliminary interviews in Cedefop on 13-17 November 2017. Prior to the audit, as per common practice, the IAS launched a survey to Cedefop staff. The IAS final report was received on 8 November 2018 which contained six recommendations:

- Recommendation Nr 1 – Recruitment procedures (ranked as 'critical');
- Recommendation Nr 2 – Appraisal and reclassification/Promotion exercises (ranked as 'very important');
- Recommendation Nr 3 – HR Strategy, planning and reporting (ranked as 'very important');
- Recommendation Nr 4 – Governance issues in the ethics area (ranked as 'important');
- Recommendation Nr 5 – Learning and Development (ranked as 'important');

- Recommendation Nr 6 – Ethics (ranked as ‘important’).

The resulting action plan was submitted to the IAS on 4 December 2018. Implementation had already started in 2018 and is continuing in 2019 according to the agreed action plan.

Following the three recommendations (ranked as ‘important’) resulting from the previous IAS audit on web-based services in Cedefop, the action plan prepared by Cedefop was approved by the IAS on 12 January 2018. Recommendations are being implemented.

All recommendations from the agreed action plans resulting from previous IAS audits are implemented according to the agreed deadlines.

The Executive Board and Management Board are kept regularly informed of progress in the implementation of the agreed action plans.

II.5.3. Other sources of assurance

a) Ethics, Integrity and Internal control

As part of its awareness-raising activities on ethics, integrity and internal control issues, Cedefop continues to provide regular mandatory sessions on good governance for new comers and open to all staff. The sessions specifically address ethics, integrity and internal control issues. In 2018, the session was organised in November. Presentations on the dignity at work policy also took place in November.

Following the revision of the Commission’s Internal Control Framework (ICF) on 19 April 2017, with a shift from a compliance-based to a principle-based system, Cedefop revised its Internal Control Framework in 2018. The revised Internal Control Framework consists of five internal control components and 17 principles in line with the Commission’s revised ICF.

Cedefop’s Anti-Fraud Strategy was adopted by its Governing Board in October 2014. The strategy was valid for a 3-year period. In 2018, Cedefop revised its Anti-Fraud strategy and set new objectives for the period 2019-2021 together with an updated action plan.

b) Evaluation activities

In compliance with Article 45 of Cedefop Financial Rules, ex-ante evaluations were carried out in 2018 for procurement procedures above 200 000 Euros. A report reviewing progress and lessons learned confirmed that the six calls for tenders launched in 2018 were compliant with regard to the requirement of ex-ante evaluation.

In compliance with Article 29(5) of Cedefop Financial Rules, and with a view to improving decision-making under the principle of sound financial management, Cedefop carried out ex-post evaluations for projects/activities that ended in previous years and entailed a total budget expenditure of above 500 000 Euros.

To increase efficiency and relevance, the number and scope of ex-post evaluations was reduced, focussing on a limited number of activities to be evaluated in more depth to provide usable recommendations that can generate further improvement in key activities of the Agency. This approach takes into account the limited internal resources Cedefop can allocate to the exercise, and is in line with Article 9 (4) of Cedefop’s Financial Rules which stipulates that evaluations should be proportionate to the resources mobilised. Thus, ex-post evaluations 2018 concentrated on two activities:

- opinion Survey on VET (EUR 1 300 000);
- PCO Services (EUR 900 000).

Cedefop will continue to closely monitor the implementation of the actions linked to Cedefop's environmental policy and more specifically with the green initiatives. Cedefop will also finalise its health and safety policy and will proceed with the implementation of the related action plan.

c) Audit activities

As part of the ex-post controls plan, a sample of three ReferNet files and five Cedefop payments were audited and completed in May 2018.

Five Cedefop payments were selected at random by the Internal Control Coordinator and reviewed by Cedefop's Accountant who checked that procedures have been followed and that the supporting documentation was in place and in line with Cedefop's financial rules. The report was submitted in January 2019.

In line with its policy on 'Internal controls ex-post' of 18 December 2012 and the procedure for ex-post controls on procurements decided in 2016, in 2018 Cedefop carried out ex-post controls on a sample of its procurement procedures. The ex-post control was performed with a dedicated working group with the help of an external contractor under the interagency framework contract managed by EFSA. The final report was delivered on 15 October 2018. The action plan was finalised in October.

Following the decision in 2013 not to move to ABAC, Cedefop has been requested to conduct an annual internal technical review of the Agency's Financial and Budgetary (Fibus) operating platform. The second technical review was conducted in October 2015 concluding that there was no immediate technological threat in Fibus. A third technical review was conducted in October 2016. The review confirmed that there was no immediate technological threat in Fibus. The fourth technical review was finalised on 14 December 2017. It confirmed that there was no immediate technological threat in Fibus. In January 2018 a project team was set up to perform a feasibility study for the migration to ABAC. The feasibility study assessed advantages and disadvantages of migrating to ABAC, including efficiency gains, time, cost, and implications for work organisation and workload during the transition phase. Based on the final results and in consultation with the working group, Cedefop's management decided that migration to ABAC is desirable but to postpone it due to capacity constraints.

II.5.4. European Court of Auditors (ECA)

On 9 October 2018 the European Court of Auditors published its report and Cedefop's reply on Cedefop's final annual accounts 2017 ⁽¹⁴⁶⁾. In the Court's opinion, the Centre's annual accounts 2017 present fairly, in all material respects, the financial position of the Centre at 31 December 2017. The results of its operations, its cash flows, and the changes in net assets for 2016 are in accordance with its Financial Rules and the accounting rules adopted by the Commission's accounting officer. The transactions underlying the annual accounts 2017 are legal and regular in all material respects.

⁽¹⁴⁶⁾ https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2017/AGENCIES_2017_EN.pdf

The European Court of Auditors included in its report some observations on legality and regularity of transactions, in particular related to two recruitment procedures, and on sound financial management and performance.

On the annual accounts for the financial year 2018, the European Court of Auditors conducted an audit in Cedefop in the week 19-23 November 2018. The desk review will be conducted in Q1 2019. According to the new arrangements for the annual audits under Article 208 (4) and Article 107 of the new Financial Regulation, Cedefop contracted an external audit company (MAZARS) to audit Cedefop's accounts 2018, based on a DG BUDG framework contract.

II.5.5. Discharge

The report on discharge in respect of the implementation of the budget of Cedefop for the financial year 2017 ⁽¹⁴⁷⁾ was adopted by the European Parliament on 26 March 2019. More specifically, the EP:

- notes with satisfaction that the that the budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 99,95 %, representing a slight decrease of 0,04 % compared to 2016 [...];
- notes with satisfaction that the Centre uses an exemplary performance measurement system that includes key performance indicators to assess the added value provided by its activities in the project [...];
- appreciates the Centre's continued high-quality work, providing research, analysis and technical advice to assist the development of European lifelong learning and Vocational Education and Training (VET) policies [...];
- 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 [...];
- welcomes the Centre's initiative on a new strand of work on digitalisation and the future of work and further welcomes the launch of the Centre's CareersNet [...];
- notes the Centre's close cooperation with the European Training Foundation and the European Foundation for the Improvement of Living and Working Conditions, formalised in collaboration agreements [...];
- acknowledges that the Centre has been taking measures in light of the observations and comments from the discharge authority related to the implementation of the budget for the financial year 2016 with the aim of further improving the Centre's operations;;
- notes the departure of the Centre's head of service for human resources in April 2017 as well as the departure of the Centre's legal advisor and the resulting additional workload for the remaining staff; calls on the Centre to report to the discharge authority of any developments in this regard;
- notes with regret from the Court's report that two recruitment procedures for management positions were considered to be irregular [...];;
- notes the Centre's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interests, and whistleblower protection [...];;

⁽¹⁴⁷⁾ https://www.europarl.europa.eu/doceo/document/TA-8-2019-0258_EN.pdf

- reiterates its call for the Centre to make public the minutes of its management board meetings;
- reiterates the need to urgently implement independent disclosure, advice and referral mechanisms with sufficient budgetary resources [...];
- refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 on the performance, financial management and control of the agencies.

II.5.6. Progress related to the recommendations outlined in Cedefop discharge 2016, related progress and status on 31 December 2018

The table below outlines the recommendations for Cedefop discharge 2016, related progress and status on 31 December 2018.

Discharge 2016: European Centre of the Development of Vocational Training (Cedefop) (2017/2147(DEC))				
TITLE	No	Recommendation	Centre's reply	Status / Opened issues
Staff policy	9	Stresses that work-life balance should be part of the Centre's staff policy; 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;	<p>In 2016, Cedefop spent a total budget of EUR 39.007,4 for activities related to staff well-being:</p> <ul style="list-style-type: none"> - EUR 2.030 for health trainings to staff (first aid training to all staff, first aid to fire wardens and first aiders, Ergonomics); - EUR 17.832,97 for sports and cultural activities co-financed by the sports and leisure club, as the other part is financed by staff, (including Musculoskeletal disorder therapy equipment for the MSD classes); - EUR 6.444 for the end of year event for staff members and their partners; - EUR 1.978,62 for the Christmas event for the children of Cedefop's staff; - EUR 1.172 for farewell receptions for colleagues leaving Cedefop after 5 years of employment or for colleagues leaving on retirement; - approx. EUR 10.000 for annual medical exams of staff 	Completed

			<p>members;</p> <p>Initiatives to ensure work-life balance are an integral part of human resource management at Cedefop. More specifically, the Agency focuses on two key dimensions:</p> <p>(a) arrangements that help staff reconcile better their work obligations and life responsibilities, e.g. flexible working hours and possibility to take compensation leave for overtime; part-time working possibilities; time credits; parental and family leave; special leave under certain circumstances such as marriage, birth or adoption of child and other family events; unpaid leave; structural and occasional teleworking.</p> <p>(b) creating and maintaining a positive, supporting environment to improve the overall workplace experience for staff: e.g. :</p> <ul style="list-style-type: none"> • structured induction process for newcomers to help them integrate more smoothly in the Agency; • dignity-at-work policy in place and a network of confidential counsellors available to staff; comprehensive awareness raising initiatives accompanying the implementation of the policy; • staff surveys on a bi-annual basis to hear the voice of staff and provide feedback to management with respect e.g. to workload perceptions; • management commitment to keeping the communication channels open with staff: transparency of information and continuous improvement of transparency in decision-making, e.g. since June 2018 regular general staff assemblies are organised to share with staff latest 	
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			<p>developments, both internal and external, to communicate the rationale behind management decisions as well as to give staff the possibility to discuss and contribute to work-related matters of relevance to them;</p> <ul style="list-style-type: none"> • management training on stress and burnout prevention (focusing on how to recognise and act on signs of stress and burnout in members of their teams as well as how for the managers not become a cause of stress for their teams); • opportunities for staff to participate in various training events in house (e.g. ergonomics, stress management, communication skills), as well as resilience coaching for staff members going through difficulties; • in-house cafeteria offering diverse and healthy food choices; • medical officer available on the premises to assign annual medical examinations and review their results, to confirm sickness certificates and raise awareness about relevant health topics; • gym room where staff can participate in Musculoskeletal Disorder Therapy and yoga classes (outside working hours); <p>HR provides twice per year a report on sickness leaves to the Director and monitors on a yearly basis the trends in the average of sickness leave and reports to the Management.</p>	
Staff policy	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;	Concerning the second sentence of the above paragraph, it should be noted that Cedefop was among the first Agencies to have adopted a dignity at work policy in 2011. Since then, Cedefop has been organising on a regular basis (mandatory) awareness-raising sessions addressed to all staff.	Ongoing - Regular training and information sessions are organised annually

			<p>The appointed confidential counsellors (active since 2011) received extensive 6-day training upon assuming duties and annual training and supervision sessions with an external contractor.</p> <p>Since 2011 every newcomer attends a mandatory information session organised at least once a year by the coordinator of the network of confidential counsellors and also has an individual induction session with one of the confidential counsellors. Dignity at work is also an integral part of Cedefop's annual presentation on good governance, ethics and integrity, which includes a module on harassment-related issues. These presentations are mandatory for all new staff as well as for staff members that have not received a refresher on Cedefop's internal control standards in the past 2 years; these sessions combine theory and practical examples (the last one took place in November 2017).</p> <p>A designated mandatory dignity at work awareness-raising session with an external contractor was organised for all staff in March 2017 followed by a mandatory awareness-raising session by the coordinator of the network of confidential counsellors in January 2018.</p> <p>Presentations on dignity at work issues are also delivered in Department meetings.</p> <p>A paper leaflet with key information about the dignity at work policy was first distributed to all staff in 2012 and re-distributed in 2017. All information (policy, manual, confidential counsellors contact information, presentations etc.) is available on the Intranet. The manual of the informal procedure is available in both English (Cedefop's working language) and Greek (language of the</p>	
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			<p>host country).</p> <p>The Centre issued special notes about dignity at work also regarding external contractors of Cedefop.</p> <p>Cedefop's management has benefitted since 2011 from targeted information sessions/trainings which focused on the role of the manager for establishing a harassment-free organisational culture.</p> <p>Since 2011 a key focus of Cedefop's learning and development activities has been the promotion of staff wellbeing, respectful work environment and dignity at work. Various training initiatives were organised in this broader context e.g. communicating with impact, intercultural communication, negotiation skills, practical conflict management; management workshop on stress and burnout prevention; workshops on positional dialogue, etc.</p> <p>Initiatives in the dignity at work context will continue on a regular basis both as part of the regular (mandatory) sessions on good governance but also as targeted awareness raising initiatives specifically on this topic.</p> <p>As a follow up to the staff engagement survey carried out in Cedefop in 2017, a specific action plan focuses on issues related to non-discrimination at work. Agreed actions have a strong focus on (a) strengthening the capacity of the relevant stakeholders in the organisation related to the promotion of a respectful working environment with a key focus on the management and (b) further raising the awareness of all staff regarding non-discrimination and what can and must be their contribution for enhancing and further promoting a climate of non-discrimination at</p>	
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			<p>Cedefop.</p> <p>The above evidence shows that Cedefop has in fact been regularly organising training and information sessions to increase the awareness of staff already for many years. Furthermore, since 2011, the annual reports on the implementation of Cedefop's policy on protecting the dignity of the person and preventing any form of psychological and sexual harassment show a highly respectful working environment at Cedefop. The Centre is currently in the process of strengthening these mechanisms to avert any form of perceived or actual cases of harassment and discrimination.</p>	
Prevention and management of conflict of interests, transparency and democracy	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;	<p>Cedefop considers to address the issue of guidance and support to whistle-blowers in 3 steps:</p> <ul style="list-style-type: none"> - In line with the spirit of the Commission's Communication on Whistleblowing SEC(2012)679, in particular 'Section 5', the ICC function will assume the role of an independent disclosure, advice and referral body, in order to help whistle-blowers; - In close collaboration with the network of EU Agencies and its network of Heads of Resources, Cedefop will assess the possibilities to establish, in a common approach, an independent disclosure, advice and referral body; - Whatever the selected solution and body, the ICC will keep its impartial guidance and support function, as a first level of advice and guidance for whistle-blowers and will act in close cooperation and complementarity with the body to be established. 	Q2/2019
Prevention and management of conflict of interests, transparency	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	Cedefop has until now addressed the handling of requests made under Regulation (EC) No 1049/2001	Q 3/2019

and democracy		regard;	on public access to documents through a dedicated submission form on its website and an internal procedure covering the related workflow. Cedefop is in the process of preparing a new policy for the application of this Regulation. As well as covering the handling of requests from applicants, the new policy will additionally define more clearly documents to be made directly accessible, including minutes of Governing Board meetings.	
Main achievements	18	<p>Regrets, however, that the Centre did not use the impact indicators to monitor the success of those achievements</p>	<p>Cedefop introduced a performance measurement system (PMS) already in 2009 to measure its performance and the success and achievement of its activities. The PMS is an integral part of the Agency's planning ⁽¹⁴⁸⁾ and monitoring processes and was highlighted as an example of good practice in 2012 by the Commission's Internal Audit service (IAS).</p> <p>The PMS measures project, activity and organisational level performance. It helps Cedefop manage and evaluate its impact, efficiency, effectiveness and relevance, and strengthens the alignment of the organisation's activities with its strategic objective and priorities. The PMS uses three types of results – output, outcome and impact – which are measured using a set of indicators. Results are contextualised qualitatively to understand where further performance improvements and efficiency gains can be made. The PMS thus provides a system for tracking and improving performance and efficiency. In this connection, pages 7, 8, 68 and 69 of the 2016 CAAR ¹⁴⁹ provide a selection of indicators to</p>	Completed

⁽¹⁴⁸⁾ [Programming Document 2018-2020](#)

⁽¹⁴⁹⁾ [Consolidated Annual Activity Report \(CAAR\) 2016](#)

			<p>demonstrate Cedefop's performance in 2016.</p> <p>Concerning the two projects (early leaving and skills forecast) mentioned in point 17 'Main achievements' of the discharge 2016 report, it should be noted that Cedefop uses a disaggregation of the performance indicators presented in the CAAR to monitor and assess the take up of work related to the two projects. These indicators include: take up of Cedefop's work in policy documents (EU and international); downloads of Cedefop publications; web traffic on Cedefop's website; take up of Cedefop's work in the European media; citations of Cedefop publications in academic literature to some extent.</p> <p>Concerning the three-year research project and the toolkit on early leaving, since its launch Cedefop has been regularly monitoring the achievements of the project and the toolkit through web metrics.</p> <p>For example, the traffic generated by the research project and the toolkit was 2.119 page views in 2016 and 20.707 page views in 2017.</p> <p>Cedefop also monitors the average session duration which measures the actual user's engagement and is therefore highly relevant to monitor the success of the projects achievements. In addition, the four publications produced in the framework of this project had 3.665 downloads in 2016 and 5.333 in 2017 showing an increased interest on this work.</p> <p>Concerning Skills demand and forecast, too, Cedefop monitors specifically the project outcomes. For example, page 40 of Cedefop's Annual Report 2016 presents a series of 5 indicators through which Cedefop regularly monitors the</p>	
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			<p>success of the forecasts achievements.</p> <p>Work related to the skills demand and forecast project was heavily used to inform the European Commission New Skills agenda in 2016 and was cited in 2016 in 11 (out of 255) policy documents of European and international organisations, especially the OECD. Publications related to this work are very popular and downloaded 3.149 times in 2016 (3.909 in 2017) from Cedefop's website.</p> <p>Work related to this project is also frequently cited in European media (150 articles out of 856 press clippings) in 2016) and appears more frequently than any other project in the press.</p> <p>The above data demonstrates that Cedefop has been systematically using indicators to measure the success of its achievements already since 2009.</p>	
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II.5.7. Evaluations

As required by the Financial Rules, Cedefop is subject to periodic external evaluations which are carried out by the Commission. The evaluation for the period 2011-16 had started in April 2017. It assessed Cedefop individually as well as in a cross-cutting perspective vis-à-vis the other Agencies falling within the remit of DG Employment: the European Foundation for the Improvement of Living and Working Conditions (Eurofound), the European Training Foundation (ETF) and the European Agency for Safety and Health at Work (EU-OSHA). The four-Agency evaluation was carried out in the context of implementing a more coherent framework for decentralised EU agencies ⁽¹⁵⁰⁾ and the related revision of these agencies' Founding regulations.

The final report, the synthesis report and the executive summary of the cross-cutting evaluation was transmitted to Cedefop on 11 April 2018 ⁽¹⁵¹⁾ (). The Cedefop-specific evaluation report was received on 13 June. Evaluation outcomes were used by the Commission to inform the revision of Cedefop's Founding regulation. The Commission's ensuing recommendations were expected to be available in early 2019. By the time of drafting this CAAR, the respective staff working document had become available.

⁽¹⁵⁰⁾ The so-called Common Approach on the decentralised agencies signed in 2012 by the European Parliament, Council and the Commission.

⁽¹⁵¹⁾ Ares (2018)1929597

The evaluation focused on relevance, effectiveness, efficiency, coherence and EU added value. **For Cedefop**, it covered the whole of its thematic and geographical remit, including its role in dealing with cross-sector themes. It also included in-depth case studies on: VET policy monitoring; apprenticeship country reviews; Cedefop's work on the European tools (particularly EQF and Europass); forecasting skills demand and supply; and VET for labour market integration, social inclusion and adult learning.

For Cedefop, the evaluators' assessment was overall positive, in particular concerning thematic country reviews and policy learning fora. It confirmed that its work is complementary, not overlapping with that of the other agencies, Commission services, institutions and networks. It concluded that Cedefop successfully supported the development of EU VET and skills policies and contributed to their implementation. Its outputs and contributions met stakeholder needs in terms of quality and outputs. Confirming Cedefop's flexibility to adapt its work to changing socio-economic and political context, newly emerging issues and ad-hoc requests, the report, however, noted the additional workload and prioritisation challenge this had caused. Cedefop had accomplished its tasks successfully despite its financial and human resource constraints. Although Cedefop's measures to reinforce human resources for its content-related work through redeployment were acknowledged, further efforts on efficiency gains should be made. The communication activities and reinforcement of its Brussels office, as well as the shift to paperless publications and online visualisation tools, were positively assessed. Generally, the evaluators proposed to aim for a more consistent approach to performance indicators among the agencies.

In terms of accountability, transparency, performance assessment, effectiveness and efficiency, Cedefop was considered to have performed successfully during the evaluation period. Cedefop had already been in line with several of the provisions/criteria outlined in the so-called Common Approach from its outset. Cedefop was among the few agencies that had adopted an Anti-Fraud Strategy by 2015.

The **cross-cutting perspective** aimed to identify potential synergies, efficiency gains, overlaps as well as opportunities for closer cooperation among the four agencies. Potential duplications and synergies were also examined in relation to: DG Employment's work, relevant EU instruments and networks; other EU instruments; alternative forums where social partners can participate; the work of other agencies and networks outside DG Employment's remit but in related areas. These included, for instance, the Fundamental Rights Agency, the European Institute for Gender Equality and Eurydice.

The outcomes of the cross-agency evaluation were generally positive but also highlighted areas for improvement. It confirmed the good quality of the agencies' work despite budgetary and HR constraints, their alignment to the EU agenda and the uniqueness of their outputs/ services. Potential overlaps at the level of the agencies' mandate did not occur in practice. It also became clear that there would be no overlaps with the planned labour authority (ELA).

II.6. Risk Management

Risk assessment and management is an integral part of Cedefop's planning and reporting processes since 2006 and is governed by a (revised) policy the Agency adopted in 2011⁽¹⁵²⁾. It is aimed at:

- raising awareness of Cedefop's staff and management on risks which may impact on the achievement of the Agency's objectives as outlined in its annual work programme;
- identifying high risks requiring particular attention, thereby also allowing prioritization of actions in view of limited resources;
- providing a basis for systematic follow-up and strengthening of the internal control system.

The scope of Cedefop's policy extends to internal risk assessment and management, including frauds risks as outlined in Cedefop's Anti-Fraud Strategy⁽¹⁵³⁾. It does not cover the risk assessment of the IAS, which builds the basis for the IAS multi annual strategic audit plan.

Cedefop's risk assessment is a form of ex-ante evaluation which considers generic risks at organisational level as well as at the level of operational and transversal activities.

Risks are evaluated based on their potential impact on the organisation (scale 1 to 5) and likelihood that risks will materialise (scale 1 to 5). Multiplication of the two indicators provides the risk level. Risks for which residual risk levels are 15 or higher become part of the risk management plan and are followed up by management closely, meaning regular checks on impact of mitigating actions and assessment of developments. Residual risks are a result of assessment of original risk levels and impact of mitigating actions.

For the work programme 2018, four risks remaining above the threshold of 15 points were identified: one generic ('unforeseen demands by stakeholders') and three activity / project related ('skills supply and demand – RLMI', 'EU skills panorama' and 'uncertainty regarding the involvement of Cedefop in the new Europass platform'). The 2018 risk management plan therefore contained a total of four risks.

The risk management plan (RMP) and related mitigating actions were followed up by the internal control coordinator.

II.7. Assessment by management

This section reports and assesses the elements identified by management that support the assurance on the achievement of the internal control objectives. These elements are: a) comprehensive set of processes and documents to plan its annual work programme; b) comprehensive set of processes to monitor and report on the implementation of its annual work programme and the deployment of its human and financial resources; c) processes to monitor and report on legality and regularity; d) internal control system and e) safeguarding of assets.

⁽¹⁵²⁾ DIR/CFL/TBG/2011/ 426 of 14 October 2011

⁽¹⁵³⁾ RB(2019)00110 adopted on 29 January 2019

a) The Agency has developed a comprehensive set of processes and documents to plan its annual work programme.

- 1) The multi-annual programming document 2018-2020 adopted by the Governing Board on 18 December 2017 by written procedure.
- 2) The annual work programme 2018 was designed within the framework of the multi-annual programme. The risk management plan - which results from an in depth ex-ante assessment of the generic risks and risks by project and by ABB ⁽¹⁵⁴⁾ activity - is an integral part of the annual work programme. The work programme also includes a set of indicators within Cedefop's Performance Measurement System (PMS).
- 3) Along with the adoption of the annual budget (estimate of revenue and expenditure) a multi-annual staff policy plan sets out the human resources (and related budget) required for the implementation of the annual work programme.
- 4) Finally, the annual management plan (AMP) 2018 was prepared. The AMP comprises detailed planning for the Agency's key deliverables (e.g. conferences, publications, procurement procedures) as outlined in the annual work programme. It also includes evaluation and audit plans 2018, risk assessment 2018 and anti-fraud strategy action plan 2018.

b) The Agency has also developed a comprehensive set of processes to monitor and report reliably on the implementation of its annual work programme and the deployment of its human and financial resources.

- 1) The Director, Deputy Director and Heads of Departments meet on a weekly basis. The aim of these meetings, chaired by the Director, is to monitor developments in all operational and support activities and take decisions on issues related to financial and human resource management, internal controls, activities including outreach activities of management and experts as well as the day-to-day administration of the Agency. Follow-up actions are reviewed on a regular basis.
- 2) The Director, Deputy Director, Heads of Departments and Services, and selected senior experts meet in Management Team Meetings (two-three meetings per year) in which systematised reports on financial issues (budget implementation, procurements), human resources developments, and monitoring reports on achievements compared to the planned objectives are discussed. Achievements are monitored through the performance indicators and targets set in the annual work programme. In addition, these meetings aid strategic considerations and opinion exchange on policy issues, planning, and other operational and organisational issues.
- 3) A budgetary mid-term review is conducted in early July and September to discuss in detail progress on the implementation of the budget and the work programme and to agree on corrective actions as necessary. The 'budget correspondents' assigned to each Department provide regular monitoring of the budget's (planned) commitments and payments throughout the year.
- 4) The progress report, the annual report and the consolidated annual activity report are discussed with the Governing Board, besides the regular reporting to the Bureau/Governing Board on the results of audits and evaluations, budget implementation, transfers of appropriations. Bureau members are also systematically informed on key changes that may occur in the implementation of the annual work programme.

⁽¹⁵⁴⁾ Activity Based Budgeting

- 5) As requested under Art. 31.4 of the Cedefop Financial Rules ⁽¹⁵⁵⁾, the list of contracts is posted on the Agency's website.

c) The Agency has developed processes to monitor and report on legality and regularity and has deployed its own anti-fraud strategy ⁽¹⁵⁶⁾ and a policy on prevention and management of conflicts of interests ⁽¹⁵⁷⁾.

- 1) As regards the legality and regularity of underlying transactions, the objective is to ensure that the estimated annual risk of errors in commitments and payments at the time of the authorisation of the transactions is less than 2%. Cedefop's standard quantitative material threshold is set at EUR 200.000 ⁽¹⁵⁸⁾. Deviations from this materiality threshold must be justified in the Consolidated Annual Activity Report. No deviations were recorded in 2018.
- 2) As foreseen in the Commission's Anti-Fraud Strategy (CAFS) ⁽¹⁵⁹⁾ and in the action plan of the Inter Institutional Working Group's roadmap, Cedefop adopted its Anti-Fraud Strategy on 22 October 2014, along with the Policy on prevention and management of conflicts of interests at Cedefop. In addition to the Anti-fraud strategy, an internal procedure on reporting on irregularities/whistleblowing, including the legal framework and basic principles as well as steps to be followed by staff members has been issued by Cedefop's management already in 2008 ⁽¹⁶⁰⁾. These procedures have been complemented with Cedefop's Guidelines on Whistleblowing of 9 February 2018 which are based on the Commission's Guidelines and satisfy the requirements set out in Art. 22c of the Staff Regulations. Cedefop's anti-fraud strategy, adopted by the Governing Board in October 2014, came to an end in October 2017. A revised strategy was prepared in 2018 in consultation with DG EMPL, OLAF and ECA. The revised anti-fraud strategy was adopted by the Governing Board in January 2019.

d) Revised Internal Control standards are in place since 2009 and were adopted by Cedefop's Governing Board. They are structured in six building blocks (Mission and values, Human Resources, Planning and risk management processes, Operations and control activities, Information and financial reporting and Evaluation and Audit). The Internal Control Standards are systematically monitored and followed-up by the Internal Control Coordinator.

e) With regard to safeguarding of assets, regular controls and checks are in place, which are in line with the Commission's control structures. They are tested and have proven to be sound. Procedures and recordkeeping concerned with the safeguarding of assets and reliability of financial records are designed to provide assurance that:

- 1) transactions are executed in compliance with management's (delegated) authorisation;
- 2) transactions are recorded as necessary to permit preparation of financial statements in conformity with the Agency's Financial Rules and to maintain accountability for assets;
- 3) access to assets is restricted through the hierarchical structure of verifications and in line with the Financial Rules;

⁽¹⁵⁵⁾ Cedefop financial rules DIR RB(2014)00032 dated 9 January 2014

⁽¹⁵⁶⁾ RB(2019)00110 adopted on 29 January 2019

⁽¹⁵⁷⁾ RB(2014)02388 adopted on 22 October 2014

⁽¹⁵⁸⁾ See annex VII - Materiality

⁽¹⁵⁹⁾ COM(2011) 376 24.06.2011

⁽¹⁶⁰⁾ DIR/CFL/2008-312 dated 20 June 2008

- 4) the recorded value of assets is compared with existing asset checks e.g. inventory controls and bank reconciliations at reasonable intervals.

II.8. Compliance and effectiveness of the internal control standards

Adapted to the needs and reality of the Agency, Cedefop Internal Control Standards follow the framework outlined in the communication SEC(2007)1341 of 16 October 2007 of the Commission. In 2009, Cedefop's Governing Board adopted internal control standards for Cedefop structured in six building blocks: Mission and values; Human resources; Planning and risk management processes; Operations and control activities; Information and financial reporting; and Evaluation and audit.

The effectiveness of the internal control takes into consideration its management, supervision processes and audits reports and in particular:

- a) the planning, monitoring and reporting processes: already existing guidelines and workflows are updated when needed to be kept in line with the latest rules and which are the object of regular staff trainings performed by Human Resources, Finance and Procurement services, under the supervision of the Internal Control Coordinator;
- b) the Performance Measurement System against which progress is measured;
- c) the financial and human resources management processes, regularly monitored by management throughout the year;
- d) the Activity Based Budgeting (ABB) and time recording systems, regularly monitored by management throughout the year;
- e) the risk assessment process that is performed annually and reviewed throughout the year to consider emerging risks or the need for additional mitigating actions. The Risk Management Plan is amended in case critical and highly probable new risks are identified;
- f) the annual report on exceptions and non-compliances events. In 2018, seven exceptions and 9 non-compliance events were recorded;
- g) the ex-ante and ex-post evaluations carried out on all completed programmes and activities which entail significant spending;
- h) the ex-post control procedures on payments and evaluations, as well as the procedure on ex-post control on procurement procedures provide an additional assurance that controls are in place and well-functioning.

In April 2017, Commissioner Oettinger issued a new Communication revising the Internal Control Framework of the European Commission ⁽¹⁶¹⁾. The new framework consists of five internal control components and 17 principles based on the COSO 2013 Internal Control-Integrated Framework ⁽¹⁶²⁾. The aim is to provide reasonable assurance regarding the achievement of five objectives set in Article 32.2 of the Financial Regulation: (a) effectiveness, efficiency and economy of operations; (b) reliability of reporting; (c) safeguarding of assets and information; (d) prevention, detection, correction and follow-up of fraud and irregularities, and (e) adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments concerned.

⁽¹⁶¹⁾ C(2017) 2373 final

⁽¹⁶²⁾ The full text of the Internal Control-Integrated Framework is available at www.coso.org

The internal control components of the new Internal Control Framework are: the control environment, risk assessment, control activities, information and communication and monitoring activities. The five components are interrelated and must be present and effective at all levels of the organisation for internal control over operations to be considered effective.

In accordance with the revision of the Commission's Internal Control Framework (ICF), in 2018 Cedefop revised its Internal Control Framework and developed internal control indicators. The revised Internal Control Framework was adopted by the Governing Board in January 2019 and will be implemented in 2019.

III. MANAGEMENT ASSURANCE

III.1. Review of the elements supporting assurance

Cedefop's internal control system is built under the direct supervision of the management.

Taking account Cedefop's size, a flat hierarchical structure has been adopted. Heads of Departments delegate various functions such as staff assessment of contract agents or contract implementation to Heads of Service and experts.

Heads of Departments, Heads of Service and experts are closely and actively involved in the planning, risk assessment as well as in the reporting and monitoring processes. This not only assures alignment of objectives but also ensures a common understanding of the strategic objectives and the annual work programme.

Planning and monitoring tools for the Activity Based Budget, procurement, events and publications have been developed and are used to inform management decisions.

A comprehensive set of procedures and guidelines was developed to build and implement the Internal Control System. All main procedures have been documented, backups appointed (as also outlined in the job descriptions of staff) and regular trainings performed to ensure implementation of the annual work programme and effective controls.

Additionally, departments meetings and project team meetings or written briefings by the Heads of Departments/Services are used to inform all staff of relevant issues and new developments.

The Director in his capacity as authorising officer and the authorising officers by delegation in their areas of responsibility base their assurance declarations on the results of their direct management supervision. Statements of assurance delivered to the Director by the Deputy Director, Internal Control Coordinator (ICC), Heads of Department and Heads of Service represent an additional layer of internal control and assurance.

Reservations: Recruitment procedures

See template under Section IV.

III.2. Overall conclusion on assurance

See section IV.

IV. DECLARATION OF ASSURANCE



ACTING EXECUTIVE DIRECTOR

RB(2019)00839
Thessaloniki, 7 June 2019

DECLARATION OF THE ACTING EXECUTIVE DIRECTOR

I, Mara Brugia,

Acting Executive Director of Cedefop

In my capacity as Authorising Officer

Declare that the information contained in this report gives a true and fair view ⁽¹⁾.

State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment, ex-post controls, the ex-post and ex-ante evaluations and other sources of assurance as steered by the Internal Control Coordinator, the observations of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.

I confirm that I am not aware of anything not reported here which could harm the interests of Cedefop.

However, the following reservation on recruitment procedures should be noted which is currently being addressed (see template).


Mara Brugia
Executive Acting Director

07.06.2019

⁽¹⁾ True and fair in this context means a reliable, complete and correct view on the state of affairs in the Agency.

Cedefop	Reservation on recruitment procedures
Title of the reservation, including its scope	Reservation concerning the recruitment procedures following: (a) the IAS audit on HR Management and Ethics conducted in Cedefop in January 2018 and the ensuing Final Audit Report (IAS.A1-2018-W CEDEFOP-001) which includes one critical recommendation on recruitment procedures and (b) the annual report of the European Court of Auditors on the annual accounts 2017 which indicated that two recruitment procedures were irregular.
Domain	HR and Ethics
Programme in which the reservation is made and total (annual) amount of this programme	N/A
Reason for the reservation	<p>The reason for the reservation is the critical issues reported by the Internal Audit Service and the European Court of Auditors in 2018. At the end of 2018, systemic weaknesses had been identified for several areas leading to the following unmitigated risks:</p> <ul style="list-style-type: none"> – non-compliance with existing rules and regulations which may expose the Agency to high reputational and financial risks; – inadequate composition of selection boards which may lead to inefficient recruitments or irregular appointments; – undisclosed and/or unmanaged (potential) conflicts of interest and the lack of transparency as well as of a consistent approach and common understanding to managing potential Col may cause serious reputational damage; – Weaknesses in the assessment of eligibility and selection criteria may lead to selecting personnel with inadequate skills/competencies or not the best talent. <p>All above risks could ultimately lead to reputational damage, as well as to litigation and related costs.</p>
Materiality criterion/criteria	N/A
Quantification of the impact (= actual "exposure")	N/A
Impact on the assurance	Legality and regularity of selection and recruitment procedures at stake.
Responsibility for the weakness	Weaknesses in the implementation of internal controls for HR and ethics.
Responsibility for the corrective action	<p>Cedefop had started already in the second half of 2018 to address the weaknesses identified by the European Court of Auditors by carrying out an in-depth assessment of the two recruitment procedures flagged as irregular and by cancelling one procedure.</p> <p>Upon receipt of the Internal Audit Service Final Audit Report in November 2018, Cedefop took prompt actions by shaping a comprehensive action plan agreed with the IAS before end 2018. Implementation of the action plan started promptly to address all unmitigated risks and is so far progressing according to plan. The Management Board and Executive Board are regularly kept informed of progress in the implementation of agreed actions.</p>

ANNEXES

Annex I: Statement of the Internal Control Coordinator



INTERNAL CONTROL COORDINATOR

RB(2019)00825
Thessaloniki, 3 June 2019

STATEMENT OF INTERNAL CONTROL COORDINATOR TO THE ACTING EXECUTIVE DIRECTOR, Ms MARA BRUGIA

I, Marc Willem

declare that in accordance with my responsibilities as Internal Control Coordinator I have reported my assessment, advice and recommendations to the Acting Executive Director on the overall state of internal control in Cedefop.

I declare that on the basis of my managing and monitoring operations I have reasonable assurance that underlying actions have been legal and regular and that the information I have provided has been accurate and complete.

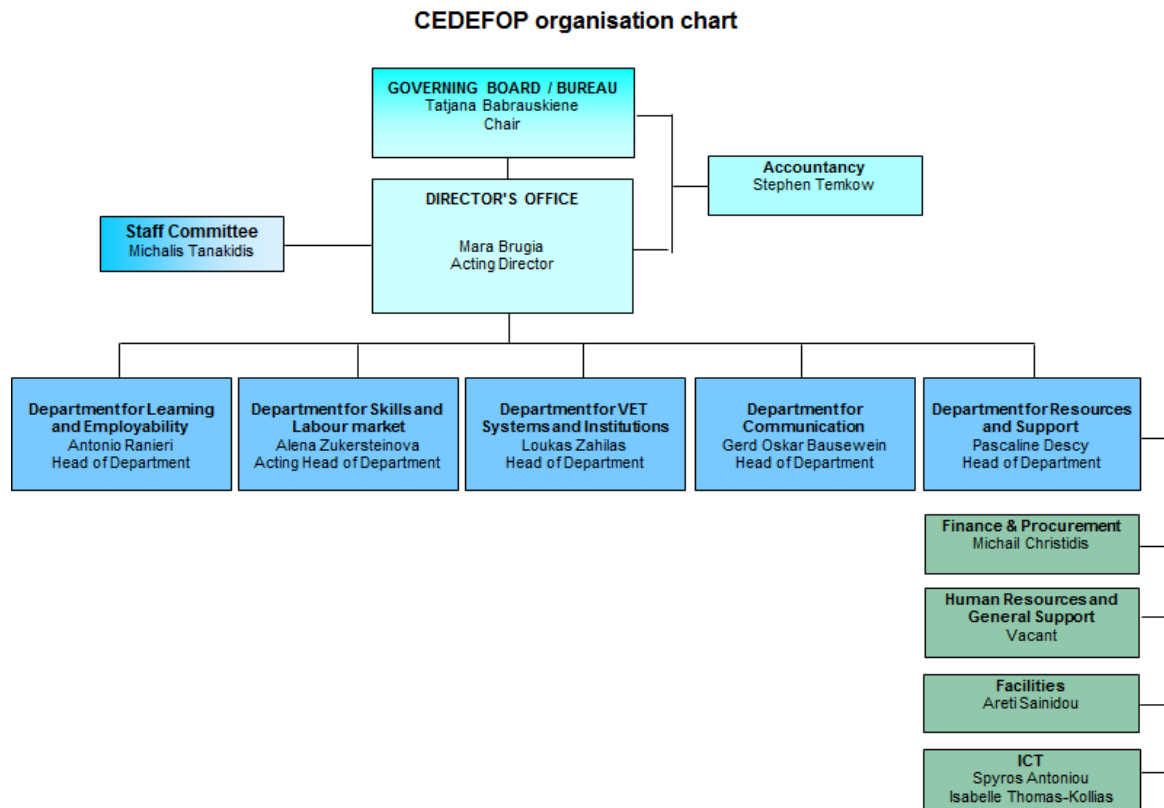
I hereby certify that the information provided in the Consolidated Annual Activity Report 2018 and its annexes, to the best of my knowledge, are accurate and complete.

A handwritten signature in blue ink, appearing to read "M. Willem", is written over a horizontal line.

Marc Willem
Internal Control Coordinator

Annex II: HUMAN RESOURCES

a. Organisational Chart



b. Establishment Plan

European Centre for the Development of the Vocational Training (Cedefop)

Establishment Plan 2018

Category and grade	Table of posts 2018	
	Permanent posts	Temporary posts
AD16		
AD15		1
AD14		1
AD13		2
AD12	4	4
AD11		10
AD10		10
AD9		5
AD8		5
AD7		4
AD6		2
AD5		
Total AD	4	44
AST11		1
AST10	1	1
AST9	1	2
AST8	1	2
AST7	3	7
AST6	3	5
AST5		6
AST4		10
AST3		
AST2		
AST1		
Total AST	9	34
Total posts	13	78
		91

Adopted by the Governing Board by written procedure 2017-10
On 18 December 2017

Tatjana Babrauskienė
Chair of the Governing Board




c. Results of the screening exercise 2018

Job Type (sub) category	Year 2017 (%)	Year 2018 (%)
Administrative support and Coordination	21.34%	21.01%
Administrative Support	18.06%	19.57%
Coordination	3.28%	1.45%
Operational	70.65%	71.74%
Top Level Operational Coordination	5.10%	4.35%
Programme Management & Implementation	65.55%	67.39%
Evaluation & Impact Assessment	0%	0.00%
General operational	0%	0.00%
Neutral	8.01%	7.25%
Finance/Control	8.01%	7.25%
Linguistics	0%	0.00%

Annex III: Human and financial resources by activities

On 31 December 2018, 88 out of the 91 posts on the establishment plan were occupied. The establishment plan occupation was 96%, above the 95% target. One selection procedure was ongoing.

During the financial year under consideration (2018), staff movements were as follows:

	Staff on 31/12/2017	Increase			Reduction			Staff on 31/12/2018
		Internal movements	Recruit.	Total	Internal movements	Depart.	Total	
	(a)	(b)	(c)	(d) = (b + c)	(e)	(f)	(g) = (e + f)	(h) = (a + d - g)
OFF	13			0		1	1	12
TEMP	73	2	3	5		2	2	76
SNE	4			0		1	1	3
CTST	26		2	2	2		2	26
Total	116		4	7		4	6	117

Annex IV Activity Based Budget 2018

CEDEFOP

ABB DECEMBER 2018

Compact report

Activity Name	*FTE		Title 1	Title 2	Title 3	Total		
	Initial	Current				Initial	Current	(%)
Shaping VET	44.17	42.85	4,004,570.95	597,503.83	2,293,609.80	6,895,684.58	6,711,479.42	97.33%
Informing VET	30.64	29.43	2,782,981.75	414,476.28	1,527,761.38	4,725,219.41	4,750,402.74	100.53%
Valuing VET	30.03	30.49	2,711,138.20	406,132.26	1,443,021.88	4,560,292.34	4,792,510.51	105.09%
Communication and dissemination	13.37	12.30	1,207,574.85	180,887.51	280,555.66	1,669,018.02	1,530,251.55	91.69%
ABB :	118.21	115.07	10,706,265.75	1,598,999.88	5,544,948.72	17,850,214.35		
Budget 2018 :			10,706,261.00	1,599,000.00	5,544,949.00	17,850,210.00		

*FTE: The FTE comprises of a) the direct staff allocation and b) the redistribution of staff in support or non-operational activities. The initial redistribution key is based on the planned costs while the "current" is based on the activities' actual costs (blocked).

Budget 2018	Title 1	Title 2	Title 3	Total
Initial Amount:	10,706,261.00	1,599,000.00	5,544,949.00	17,850,210.00
Various Transfers:	-532,199.28	-37,026.04	569,225.32	0.00
BRS (supplementary amending budget):	0.00	0.00	0.00	0.00
Final Amount:	10,174,061.72	1,561,973.96	6,114,174.32	17,850,210.00

Budget Execution 2018	Title 1	Title 2	Title 3	Total
Blocked:	10,154,604.75	1,528,458.80	6,105,766.69	17,788,830.24
(Blocked/Final Amount) %	99.81%	97.85%	99.86%	99.66%
Paid:	10,028,845.00	1,036,740.83	1,880,487.29	12,946,073.12
(Paid/Final Amount) %	98.57%	66.37%	30.76%	72.53%

Note: In addition, to the committed and paid title 3 direct cost as shown in the table on the top of the page there are also transversal title 3 cost which are not directly attributed to activities and which are included in the table on budget execution above. These account for the differences between the committed and paid direct cost for title 3 and the committed and paid total costs for title 3.

*Paid: The final stage, that is, the payment run or physical payment which is made via the banking system.

*Blocked (or legal commitment): is the act whereby the authorising officer enters into or establishes an obligation which results in a charge (for instance a contract, grant agreement or order form).

December 2018

Annex IV: Materiality criteria

MATERIALITY CRITERIA

Introduction

Materiality criteria define the elements for determination of significant weaknesses that should be subject to a formal reservation in the assurance declaration of the Authorising Officer in the context of the Consolidated Annual Activity Report.

The definition of the following criteria has been informed by the EC Guidelines for defining materiality and the references made in the standing instructions for the Consolidated Annual Activity Report of the Commission.

The decision whether a weakness is significant, remains a matter of judgement of the Authorising Officer (by Delegation). In this judgement the overall impact of a weakness needs to be identified and an assessment needs to be made on whether the issue is material enough so that would have an influence on the decisions or conclusions of the users of the assurance declaration. Further consideration may in some cases also take the tolerability of risks of error into account.

Assessment criteria

In consequence judgement needs to be based on a qualitative and a quantitative assessment. In addition, reputational events may be considered.

The qualitative assessment of a weakness (deficiency) should first consider if the type of deficiency falls within the scope of the assurance declaration which refers to the use of resources, sound financial management, and legality and regularity of transactions.

Second, in considering the significance of the materiality criteria, one should include the nature and scope of the weakness, the duration of the weakness, the existence of mitigating actions reducing the impact of the weakness and the existence of corrective actions (action plans and financial corrections) which have had measurable impact.

Third, in quantitative terms it is necessary to quantify the financial impact which may refer to the monetary value of the identified problem; or the amount considered erroneous; or the amount considered at risk.

The proposed standard quantitative materiality threshold is 2 %.

Considerations

Related to Cedefop's overall budget of EUR 17 850 210 for 2018, the 2 % threshold would define an amount of about EUR 357 004.

Considering potential cases this amount seems too high. Thus, the (standard) quantitative threshold should be set at EUR 200 000.

Cedefop activities are defined in a much more detailed way than EC activities and have much lower financial resources at their disposal. Thus, to introduce a materiality threshold at activity level does not seem proportionate. In fact most weaknesses or deficiencies conceivable would refer to generic services and procedures which should be compared with the Cedefop budget.

In conclusion

The Cedefop standard quantitative materiality threshold is therefore being set at EUR 200 000.

Deviations from this materiality threshold must be fully justified in the Consolidated Annual Activity Report.

It is however necessary to underline that some deficiencies also below this threshold may be deemed significant on the basis of the qualitative assessment.

In addition, it may be considered that specific reputational events on the basis of specific assessments may give rise to a reservation.


Mara Brugia

07.06.2019

Acting Executive Director

Annex V: Cooperation with EU Agencies

Cooperation with ETF

The collaboration of the two agencies has a long standing tradition. Since its outset in 1997, ETF and Cedefop have created synergies in areas that are relevant to both agencies, taking into account their different mandates, geographical scope and stakeholders. This has led to increased efficiency, economies of scale and increased service levels. The current framework (2018-20) aims at more structured cooperation in thematic areas and activities of common concern to each of the agencies' stakeholders and regulatory functions.

In 2018, Cedefop and ETF experts were involved in events and activities of mutual interest. In particular, the two agencies continued working together on VET policies and systems following the interim report presented in 2017 and preparing the final report that will be available in 2019. Coordinated work included joint papers and presentations informing ACVT and DGVt discussions.

Increased effort was also made in taking forward the international dialogue on qualifications frameworks, in close collaboration with the ETF and UNESCO-HQ and UNESCO (UIL). Work has started on the fourth edition of the national and global qualifications frameworks inventory that will be published in 2019.

The two agencies continued their close collaboration in the area of work-based learning and adult learning also in the frame of the inter-agency working group on work-based learning together with the OECD, ILO, UNESCO and other major international organisations.

In 2018, ETF and Cedefop conducted two joint knowledge sharing seminars. The Thessaloniki event (May) focused on skills and migration and on organising qualifications systems in the ETF partner countries. The Turin event discussed Cedefop's work on big data analysis from online vacancies and the findings of Cedefop's analysis on the European cooperation on VET since 2015. In 2018 the two agencies attended each other's Governing Board meetings and close cooperation was also ensured between the two agencies' Brussels liaison offices.

Cooperation with Eurofound

Cooperation between Eurofound and Cedefop takes place in the framework of a collaboration agreement renewed in 2016. Each year, based on an early analysis of their respective work programmes, activities of common interest are identified. This helps structure knowledge exchange and expertise-sharing, avoid overlaps, and identify promising areas for close collaboration, such as in the case of the European company survey.

In 2018, Cedefop and Eurofound continued working together on the next round of the European company survey. The survey focuses on the link between company skills and business strategies – including the response to digitalisation – and how they affect business outcomes. The project leading to the survey started in 2017, the pilot took place in 2018, the fieldwork is planned for early 2019 and first results will be available in 2020. A steering group composed of members from both agencies' Governing Boards was appointed to steer the survey's progress. It met twice in 2018, in May and November.

In 2018, cooperation took place also in the context of Eurofound's future of manufacturing project. Eurofound has sought collaboration with Cedefop to develop projections of employment under different scenarios for the future of the sector. The Eurofound job/tasks analysis (from the European job monitor) was 'plugged' into the forecast to give insights into

skills needed in the future under different economic and energy scenarios. Cedefop provided input and feedback on the scenarios developed by Eurofound, and monitored alignment with the standard set of projections. Eurofound participated in Cedefop's event to release its new skills supply and demand forecast up to 2030 and presented the results of these projections. This collaboration also led to a joint publication released in 2018.

Exchange of information and expertise was initiated on the Agencies' respective work on the platform economy and new forms of digital work.

Additional activities in 2018 included participation in a cross-agency working group aiming at assessing the costs and benefits of creating a joint open science/open data repository.

Cooperation with ENISA

In 2018, Cedefop continued cooperating with the European Union Agency for Network and Information Security (ENISA) in the framework of the service-level agreement (SLA) signed in 2017. The SLA enables both agencies to share and rationalise resources for mutual benefit. In 2018, the areas of cooperation included: legal advice provided by ENISA to Cedefop, due to the discontinuation of an internal legal service in Cedefop in November 2017; cooperation on to both agencies' negotiations with the Greek authorities to ensure a common approach regarding revisions of their respective headquarter agreements; and launching a joint procurement for ICT helpdesk services.

Cooperation with the EU agencies' performance development network

In 2018, Cedefop continued to benefit from, and contribute to, the work of the EU agencies' performance development network (PDN). The PDN work directly supports the common approach of EU decentralised agencies to increase their cost-effectiveness with emphasis on performance improvement and accountability. This is pursued through the development of a common set of principles for efficient and effective result-oriented management and the exchange of information and best practices.

In 2018 Cedefop participated in the meeting of the network in spring 2018 contributing to discussions on the EU agencies performance framework and shared its practices on quality management and key performance indicators through online surveys.

The exchange of ideas and practices with other EU agencies on topics of common interest has been beneficial to Cedefop. This was especially the case in relation to developing new qualitative indicators and a Cedefop user satisfaction survey expected to be run in 2019. The PDN also provided a good forum for Cedefop to exchange views with its sister agencies EUROFOUND, ETF and EU-OSHA on several topics of common interest.

Cooperation with the EU agencies' network

Cooperating with other EU agencies enables significant knowledge sharing and efficiency gains. Cedefop systematically responds to inter-agency consultations, the results of which are, in turn, disseminated. Cedefop contributes actively to the sub-networks and, in 2018, chaired the Information and Communication Technologies Advisory Committee (ICTAC) network. The Agency also participates in joint procurement actions and inter-institutional call for tenders. It is also common practice to share staff members for evaluation and selection committees (for procurement and recruitment procedures respectively).

Annex VI: Report of the DPO



CEDEFOP

European Centre for the Development
of Vocational Training

DATA PROTECTION OFFICER

DIR/DPO/RJSTOW/RB(2019)00756
Thessaloniki, 06 June 2019

NOTE TO THE ACTING EXECUTIVE DIRECTOR

Data Protection Annual Progress Report January - December 2018

1. Introduction

The objective of this document is to report on the progress of data protection issues in Cedefop and to present the activities of the Data Protection Officer during the period January to December 2018.

2. Management summary

Protection of personal data is a high priority for Cedefop and compliance of all processing operations with the provisions of the relevant data protection regulation concerning EU institutions and agencies¹ is vitally important to ensure good governance and cooperation with the EDPS. In addition, staff members have an ethical obligation, extending beyond mere formal compliance, to respect the rights of the data subjects whose data they might process.

Cedefop's DPO has continued this year the activities of promoting data protection, disseminating information, providing consultation, cooperation and support internally with data protection stakeholders (controllers, data subjects, and the Staff Committee), and externally with the DPO network and the EDPS. 2018 was a particularly challenging year with the coming into force of the GDPR in May, which brought data protection concerns into the spotlight, and the delayed introduction of the equivalent regulation for the institutions and agencies in December.

The DPO took an active position on consulting the EDPS on all relevant matters as well as responding to communications and requests of the EDPS and participating in the DPO network meetings. On the administrative side, the inventory and register were updated to include processing operations and related notifications that were established during this reporting period.

¹ Until 12 December 2018, Regulation (EC) 45/2001 and, since that date, the new GDPR-aligned Regulation (EU) 2018/1725.

45

The part-time job allocation of the DPO is supplemented with the work of a full-time trainee who possesses legal background, thus facilitating the continuation of data protection work at Cedefop and supporting the DPO in the legal aspects of the role's responsibilities.

3. Activities

During the course of 2018, three newly identified data processing operations were notified and nine others were reviewed/updated. Advice was provided following consultations on a variety of data protection issues.

3.1. Notified processing operations

The registry and inventory were updated with four new notifications for processing operations that contain personal data and fell under Article 25 (normal processing) of the former regulation:

1. CDFNOT078 - Request for Visits to Cedefop
2. CDFNOT079 - Cedefop Photo Award
3. CDFNOT081 - Request for hosted event

Additionally, the following notifications were further revised/updated:

1. CDFNOT008 – Webportal
2. CDFNOT012 – Europass
3. CDFNOT045 – Access Control to Premises
4. CDFNOT050 - CCTV
5. CDFNOT059 - Cedefop events
6. CDFNOT060 – Telephone Cascade System
7. CDFNOT068 – Skills Panorama
8. CDFNOT077 – Requests for Teleworking
9. 2011-0542 (PRIOR CHECK) – Procurement procedure

No new notifications were required to be submitted to the EDPS to be subject to prior-checking under Article 27 of the former Regulation (EC) 45/2001 as this was process phased out in early 2018 anticipation of the new regulation, which does not include this requirement.

In accordance with article 26 of Regulation (EC) 45/2001, the DPO continued to maintain a Data Protection Register where all processing operations are recorded and made available on the Intranet of Cedefop. It consists of an *inventory* (frequently updated), designed in order to make more accessible the search for a specific processing operation, and the *register* which consists of the documentation concerning all processing operations notified to the DPO.

In response to guidance of the EDPS on documentation requirements, templates for notifications and privacy statements were revised accordingly.

The DPO was consulted on a wide variety of issues, including:

- Advice on contractual clauses, particularly in relation to GDPR;
- Update to cookie policies of Cedefop web services in line with EDPS guidelines;
- Response to negative press article on use of 3rd party cookies in Cedefop's Twitter feed;
- Participation in Working Group to design new event registration tool;
- Consultation regarding submitted requests for public access to documents under Regulation 1049/2001;
- HR handling of data subject access requests, involving communication with EDPS;
- Advice on handling and provision of contact data;
- Advice on consent to photography at various events;
- Advice on surveys and interviews conducted by contractors (and drafting of related guidelines for finalisation 2019);
- Advice given regarding suitability and use of third party tools (Survey Monkey, SenditBlue);
- Assistance with redaction and securing of PDFs;
- Drafting of internal notes on data protection and confidentiality.

4. Information

Informing on data protection obligations is one of the key duties of the DPO. General information on data protection issues including rules and regulations are available on the DPO intranet page, which was further revised and improved during 2018.

4.1. To controllers/processors

According to article 4 (1) of the Implementing Rules Concerning Data Protection at Cedefop, the DPO advises the data controllers on matters concerning the application of data protection provisions.

In the first quarter the DPO delivered a presentation to all staff (conducted three times, each time addressing those who had not attended the previous times) covering requirements in terms of regulatory compliance as well as related issues of confidentiality. In addition, tailored presentations on data protection were given at the Department meetings of DSI, DLE and DCM, as well as to the HR and Procurement services.

Several information induction sessions were also delivered to new staff members and trainees.

4.2. To internal data subjects

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During internal information sessions it was emphasised to staff that they are also data subjects with rights regarding the personal data Cedefop processes concerning them. They were encouraged to contact the DPO for support should they have any related concerns and reminded of their right of recourse to the EDPS.

4.3. To external data subjects

The format of newly created privacy statements was improved (designed to provide information to data subjects), making their language clearer and more concise, as well as to make them more easily accessible to data subjects at the point when they are requested to provide data. Event organisers were advised to create specific privacy statements per event, rather than circulating a general one, to ensure that data subjects are accurately informed. Efforts will continue in this regard as and when other notifications and privacy statements are revised in response to the updated regulation.

5. Data Breaches during this reporting period

During the reporting period a data breach concerning the publication on the intranet of documents concerning sensitive information concerning individuals was handled by the DPO. The issue was assessed, contained, and appropriately documented. Another breach was reported (involving the sending of an email to an incorrect recipient). The breach was documented and the severity was assessed as low.

6. Cooperation

The cooperation program includes, on one hand, the EDPS and the network of DPOs of EU institutions and bodies, and, on the other hand, Cedefop services.

6.1. Cooperation with the EDPS and the network of DPOs

The DPO has an obligation to respond to the EDPS's requests and to cooperate and consult with the EDPS whenever necessary. The DPO cooperated with the EDPS on their remote inspection of EU institution/agency web services (which included Cedefop) by providing requested data. This led to the inspection being conducted in October 2018 (report pending). The DPO participated in both scheduled DPO network meetings which provided an opportunity to discuss issues with the EDPS as well as with the DPOs of other institutions/agencies:

1. DPO Network Meeting, Brussels May 2018 (Mission)
2. DPO Network Meeting, Brussels November 2018, (participated by video-link)

6.2. Cooperation with Cedefop services

An important task of the DPO is to cooperate, inform and raise awareness among the controllers about data protection-related matters, principles of data protection and processes that need to be notified. Information sessions, meetings and consultations are organised by the DPO whenever needed.

Additionally, the DPO cooperates where necessary with the:

1. Staff Committee
2. Internal Audit Service of the European Commission
3. The Court of Auditors of the European Union

In June 2018 a meeting was held with the Staff Committee to discuss relevant issues and concerns, and the DPO cooperated with the IAS in connection with audits on web-based services and HR and Ethics. With regard to the latter audit, the DPO also contributed to the related action plan.

7. Human Resources

The dedication of time during the period of January-December 2018 has been one contract agent with 40% of time allocated to the function.

A full time trainee with legal background was allocated to the Data Protection Officer under the 'Office of the Director' between October 2017 and June 2018, and then again from October 2018 until June 2019. Thus, a trainee was available for nine months of 2018.

8. Communication tools

The data-protection-officer@cedefop.europa.eu mail account is available for any questions or comments regarding data protection issues at Cedefop:


06 June 2019

Robert STOWELL

Annex VII: Key decisions of the GB

The table below outlines the decisions and documents adopted by the Governing Board in 2018 and provides links to Cedefop's website for public documents/information:Date	Written procedure - Meeting	Decision/Document (<i>link if public document</i>)
22/01/2018	Written procedure	Decision of the GB on the representatives of the Employees Group to the (Enlarged) Bureau
19/02/2018	Written procedure	Adoption of the vacancy notice and PSC composition for the recruitment of a new Cedefop Director
19/02/2018	Written procedure	Decision of the GB on the enlargement of the Bureau for the meeting of 12 March 2018
12/03/2018	Enlarged Bureau meeting of 12 March 2018	Adoption of the minutes of the Bureau meeting of 5 December 2017 (ref.no RB(2018)00432) and adoption of the confidential minutes of the extraordinary Bureau meeting of 24 January 2018 (ref.no RB(2018)00433)
27/03/2018	Written procedure	Estimate of Revenue and Expenditure for the financial year 2019 – internal ref. no RB(2018)00545
28/03/2018	Written procedure	Updated composition of the PSC for the recruitment of a new Cedefop Director
06/04/2018	Written procedure	Decision of the GB – mandate to the Bureau (confidential)
17/04/2018	Written procedure	Annual Report 2017 ⁽¹⁶³⁾
17/04/2018	Written procedure	Roadmap for the selection procedure for the recruitment of a new Cedefop Director
21/04/2018	Written procedure	Decision of the GB confirming the date of resignation of the Director and the appointment of the Acting Director
05/06/2018	Extraordinary Bureau meeting of 5 June 2018	Confidential decision of the GB – ref.No RB(2018)01102
15/06/2018	Written procedure	Decisions of the GB on enlargement of the Bureau on 02/072018 and amendment of Art. 1b of (confidential) decision RB(2018)00604
20/06/2018	Written procedure	Decision of theGB to opt out of the Commission decision C(2017)6760 of 16/10/2017 (conditions of employment for CA)

⁽¹⁶³⁾ <http://www.cedefop.europa.eu/en/about-cedefop/what-we-do/annual-reports>

The table below outlines the decisions and documents adopted by the Governing Board in 2018 and provides links to Cedefop's website for public documents/information: Date	Written procedure - Meeting	Decision/Document (<i>link if public document</i>)
20/06/2018		Updated composition of the secretariat of the PSC
26/06/2018	Written procedure	Cedefop Consolidated Annual Activity Report 2017 including Governing Board Analysis and Assessment ⁽¹⁶⁴⁾
28/06/2018	Written procedure	Final Annual Accounts financial year 2017 – including the opinion of the Governing Board – internal ref.no RB(2018)01279 and RB(2018)01280 ⁽¹⁶⁵⁾
02/07/2018	Enlarged Bureau meeting of 2 July 2018	Adoption of the minutes of the Enlarged Bureau meeting of 12/03/2018 (ref.no RB(2018)01313) and adoption of the confidential minutes of the extraordinary Bureau meeting of 05/06/2018 (ref.no RB(2018)01314)
09/07/2018		Confidential decision for the attention of the former Director – ref.no RB(2018)01342
19/07/2018		Confidential decision of the GB –ref. no RB(2018)01408
13/08/2018	Written procedure	Decision of the GB on the representatives of the Commission in Cedefop's GB and PSC and updated composition of the PSC
20/08/2018	Written procedure	Decision of the GB on the appointment of reporting officers for Cedefop's (Acting) Director
27/09/2018	Bureau meeting of 27 September 2018	Adoption of the minutes of the Enlarged Bureau meeting of 02/07/2018 (ref.no RB(2018)01701) and adoption of the confidential conclusions of the in-camera meetings of 02/07/2018 (ref.no RB(2018)01702)
12/11/2018	Bureau meeting of 12 November 2018 (prior to GB 2018 meeting)	Adoption of the minutes of the Bureau meeting of 27/09/2018 (ref.no RB(2018)01958) and adoption of the confidential conclusions of the in-camera meeting of 27/09/2018 (ref.no RB(2018)01959)
13/11/2018	GB meeting	Renewal of the term of office of the Deputy Director
05/12/2018	Written procedure	Decision of the GB amending Financing Decision 2018
12/12/2018	Written procedure	Decision of the GB on the reassignment of Cedefop's Accounting Officer

⁽¹⁶⁴⁾ <http://www.cedefop.europa.eu/en/about-cedefop/what-we-do/annual-reports>

⁽¹⁶⁵⁾ <http://www.cedefop.europa.eu/en/about-cedefop/finance-and-budget/annual-accounts>

The table below outlines the decisions and documents adopted by the Governing Board in 2018 and provides links to Cedefop's website for public documents/information: Date	Written procedure - Meeting	Decision/Document (<i>link if public document</i>)
18/12/2018	Written procedure	Programming Document 2019-2021-ref.no RB(2018)02215 ⁽¹⁶⁶⁾
18/12/2018	Written procedure	Cedefop Budget 2019 and Establishment plan 2019 ⁽¹⁶⁷⁾

The Bureau reported to the Governing Board on the key issues the Bureau/Enlarged Bureau dealt with since the Governing Board meeting in October 2017 (reporting sent out on 27 March 2018 and updated document as item 7 of the agenda of the GB meeting 13 November 2018).

⁽¹⁶⁶⁾ <http://www.cedefop.europa.eu/en/about-cedefop/what-we-do/work-programme>

⁽¹⁶⁷⁾ <http://www.cedefop.europa.eu/en/about-cedefop/finance-and-budget/budget-and-discharge>

Annex VIII: Draft Annual Accounts and financial reports

Introduction

In accordance with Articles 92 and 93 of the financial rules of Cedefop (the European Centre for the Development of Vocational Training), hereafter “the Financial Rules”, adopted by the Governing Board on 9 January 2014, Cedefop’s annual accounts comprise:

- ❑ the report on budgetary and financial management;
- ❑ the reports on implementation of the budget of the Agency;
- ❑ the financial statements of the Agency.

The accounts are kept in accordance with the provisions of Cedefop Decision of 9 January 2014, as supplemented by a Decision laying down detailed rules for the implementation of that Decision, adopted by the Governing Board on 3 June 2014.

The Agency has non-differentiated appropriations for administrative expenditure (Titles 1 and 2) and differentiated appropriations for operational expenditure (Title 3).

The accounts are kept in Euro, and the revenue and expenditure account and the balance sheet are presented in Euro. Operations are carried out at the monthly accounting rates in force when they are transacted. The Euro exchange rate used for the preparation of the balance sheet is the rate applicable on 31 December.

The subsidies received from Norway and Iceland are subsumed into the budget along with the subsidy from the Commission.

2018 the action was successfully closed with all funds received and distributed leaving a zero balance on the account.

1.6. Monies received

Amounts received in consideration of expenditure are entered in the accounts as a reduction in the expenditure if they are received in the same financial year as the expenditure is made and as sundry revenue if they are received in a subsequent financial year. As of 2014 amounts received as interest accruing on bank accounts constitutes revenue for Cedefop.

1.7. Debit Notes

The Agency issued eight debit notes in 2018 for a total value of Euro 93 592. Their breakdown being: the request for Iceland’s 2018 contribution (Euro 20 920), a request for the final tranche of the grant from DG Employment (Euro 54 970), a debit notes for the return of unspent Refernet funds (Euro 15 109) and sundry claims for expenses to be reimbursed generally being travel related - (Total Euro 2 684).

Certification

The final annual accounts of Cedefop (the European Centre for the Development of Vocational Training) for the year 2018 have been prepared in accordance with the Title IX of the Financial Regulation applicable to the general budget of the European Union, the accounting rules adopted by the Commission's Accounting Officer and the accounting principles and methods adopted by myself.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of Cedefop in accordance with Article 68 of the Financial Regulation.

I have obtained from the authorising officer, who certified its reliability, all the information necessary for the production of the accounts that show Cedefop's assets and liabilities and the budgetary implementation.

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of Cedefop.

Stephen Temkow - Agency Accountant

Thessaloniki 27 May 2019

Evolution of commitment appropriations of the European Centre for the Development of Vocational Training (Cedefop) for the financial year 2018

Article Item	Heading	Initial Budget	Transfers	Final budget
	Title 1 - STAFF EXPENDITURE	10,706,261	-532,199	10,174,062
	Title 2 - ADMINISTRATIVE	1,599,000	-37,026	1,561,974
	Title 3 OPERATING EXPENDITURE			
3 0	TRANSVERSAL ACTIVITIES	340,000	-34,499	305,501
3050	Management Board meetings	150,000	-58,599	91,401
3070	Transversal technical support	190,000	24,100	214,100
3 1	PARTICIPATION OF NON-MEMBER STATES IN THE OPERATIONAL WORK PROGRAMME	0	0	0
3100	Participation of Non-Member states	0	0	0
3122	DG employment Grant	0	0	0
3 2	SKILLS AND LABOUR MARKET (previously: Research and Policy Analysis)	1,327,000	156,550	1,483,550
3200	Missions, meeting, interpretation	172,000	-13,251	158,749
3240	Pilot studies and projects	1,155,000	169,801	1,324,801
3 3	VET SYSTEMS AND INSTITUTIONS (previously: Enhanced cooperation in VET and LLL)	2,016,000	-79,059	1,936,941
3300	Missions, meetings, interpretation	261,000	-20,854	240,146
3330	ReferNet annual grants (Specific Grant Agreements) (was 3250)	980,000	-8,442	971,558
3331	ReferNet other cost	100,000	-1,493	98,507
3340	Pilot studies and projects	675,000	-48,270	626,730
3 4	LEARNING AND EMPLOYABILITY (new)	1,240,000	490,575	1,730,575
3400	Missions, meetings, interpretation	140,000	47,500	187,500
3440	Pilot studies and projects	1,100,000	443,075	1,543,075
3 5	COMMUNICATION (previously: Communication, information and dissemination)	637,949	35,659	657,608
3500	Missions, meeting, interpretation	40,000	9,000	49,000
3510	Publications and dissemination	210,000	-9,500	200,500
3520	Translation expenses	90,000	16,659	106,659
3540	Establishment of operational documentation	101,949	9,500	111,449
3541	Contracts for update and maintenance of databases	161,000	0	161,000
3546	Promotional activities and public relations	19,000	10,000	29,000
	Title 3 – TOTAL	5,544,949	569,225	6,114,174
	GRAND TOTAL	17,850,210	0	17,850,210

Evolution of payment appropriations of the European Centre for the Development of Vocational Training (Cedefop) for the financial year 2018

Heading	Initial Budget	Transfers	Estimated Assigned Revenue	Final Budget
Title 1 - STAFF EXPENDITURE	10,706,261	-532,199		10,174,062
Title 2 - ADMINISTRATIVE	1,599,000	-37,026		1,561,974
Title 3 OPERATING EXPENDITURE	5,128,739	569,225	10,000	5,707,964
TOTAL	17,434,000	0	10,000	17,444,000
Grant				
Norway & Iceland	406,210			406,210
GRAND TOTAL	17,840,210	0	10,000	17,850,210

2 BUDGET IMPLEMENTATION 2018

Revenue			Expenditure										
Source of Revenue	Revenue entered in the final budget for the financial year	Revenue received for the financial year	Allocation of expenses	Final budget appropriations for the financial year					Appropriations carried over from previous years				
				Entered	Committed	Paid	Carried Over	Cancelled	Available	Committed	Paid	Carried Over	Cancelled
Own revenue			Title I Staff (NDA)										
Union contribution	17,434,000	17,434,000		10,174,062	10,173,903	10,028,845	145,058	159	220,053	219,738	197,672		22,381
Other subsidies	406,210	406,210	Title II Administration (NDA)	1,561,974	1,561,970	1,036,741	525,229	4	358,564	358,564	318,809		39,755
Other revenue	10,000	16,996	Title III Operating Activities (DA)										
			- CA	6,114,174	6,113,721			453	0	0			
			- PA	6,114,174		6,159,837	0	0	0		0		0
Assigned revenue	0	54,970	Assigned revenue	0	0	0	0	0	428,575	428,575	428,575	0	0
Total	17,850,210	17,912,176	Total CA	17,850,210	17,849,594		670,287	616	1,007,192	1,006,760		0	62,136
			Total PA	17,850,210		17,225,423	670,287	0	1,007,192		945,056	0	62,136

- **2.1. Appropriations for the current financial year: Analysis of the use of appropriations and of the main changes compared with the previous year.**
- **2.1.1. Title 1: Staff**

Budget item and heading		2018			2017		Change comm. % 2018/ 2017
		Final budget	Comm.	Payments	Comm.	Payments	
110	Officials and temporary staff occupying a post (includes Social Security contributions, supplementary services and weightings)	7,801,623	7,801,623	7,801,623	7,813,317	7,813,317	0%
1111	Seconded national experts	166,005	166,005	166,005	157,865	157,115	5%
1112	Contract staff	1,208,064	1,208,064	1,208,064	1,201,656	1,201,656	1%
1113	Trainees	95,391	95,391	95,391	110,560	110,560	-14%
114	Miscellaneous allowances and grants	160,322	160,322	160,322	166,948	166,948	-4%
120	Allowances and expenses on leaving and entering the service	182,421	182,421	174,734	53,194	30,694	243%
130	Mission expenses	132,300	132,300	122,864	94,081	86,030	41%
143	Medical service	63,000	63,000	34,131	47,970	23,984	31%
149	Other expenditure	121,412	121,384	120,084	132,931	130,631	-9%
150	Training	117,525	117,525	43,621	119,945	48,303	-2%
160	Supplementary services	107,100	106,970	88,609	159,596	77,043	-33%
170	Representation expenses	18,900	18,900	13,399	16,520	8,250	14%
	TITLE 1 – TOTAL	10,174,062	10,173,903	10,028,845	10,074,583	9,854,529	1%

- **2.2. Other classes of appropriations**
- **2.2.1. Assigned revenue received – previous financial year – Class L**

	Appropriations carried over	Comm.	Payments	Comm./Bud.	Carried-over	Cancelled
Title 1 – Staff	-	-	-	-	-	-
Title 2 - Administrative expenditure	-	-	-	-	-	-
Title 3 - Operational expenditure	0	0	0	0	0	-
Total	0	0	0	0.00%	0	-

Class L Title 3 costs relate to translation and editing costs for the operational departments and onsite technical support.

- **2.2.2. Appropriations carried over automatically from 2017 to 2018 – Class A for Titles 1 and 2 (operational expenditure being treated as differentiated appropriations).**

	Appropriations carried over	Commitments carried over	Payments	Pay/comm.	Cancelled
Title 1 – Staff	200,053.28	200,053.28	197,671.61	90%	22,381.67
Title 2 - Administrative	358,563.75	358,563.75	318,808.55	89%	39,755.20
Total	578,617.03	578,617.03	516,480.16	89%	62,136.87

Class A represents funds carried over from the previous year.

2.2.3. Assigned revenue

Note as of 2017 the Norway and Iceland payment appropriations are subsumed into the total Commission budget and are no longer treated as Assigned Revenue.

MONITORING TABLE FOR ASSIGNED REVENUE 2018

DG EMPL projects & third countries	BALANCE: total carryovers on 31/12/17 a	New funds b	Payment in 2018 c	Funds returned d	Carryover balance - present e=a+b-c-d	New approp. 2018 e	Payment in 2018 f	Balance h=d+e-f
Contribution Agreement VS/2013/0554	345,860.37	54,969.63	400,830.00		0.00			0.00
Total projects 2014	345,860.37	54,969.63	400,830.00		0.00			0.00
Participation Norway 2012	3,334.46		3,334.46		0.00			0.00
Total projects 2012	3,334.46		3,334.46		0.00			0.00
Participation Norway 2011	24,410.45		24,410.45		0.00			0.00
Total projects 2011	24,410.45		24,410.45		0.00			0.00
TOTAL	373,605.28	54,969.63	428,574.91	0.00	0.00	0.00	0.00	0.00

3. CONCLUSIONS

2018 reflected continuity and change. Continuity lies in the quality and relevance of Cedefop's expertise and the continuing support the Agency provided to the European Commission, Member States and social partners in developing and implementing European VET policy. This included: the priorities outlined in the Riga conclusions of 2015; the Commission's 2016 New skills agenda for Europe; the Recommendations on upskilling pathways, the quality framework for apprenticeships; the 2017 revision of the EU key competences framework; and the European Pillar of Social Rights. But change can also be found in 2018 facing new challenges to meet the varied information needs of its stakeholders.

Cedefop's multi-annual objectives are: providing new knowledge and evidence; monitoring policy trends and providing policy analysis; acting as knowledge broker. Taking full account of the EU policy framework, these objectives reflect the aims to inform and support VET-related policy making in response to economic, social and employment challenges in the EU and their implementation. Combined with three strategic areas of operation — shaping VET, valuing VET and informing VET — they guide type and scope of the Agency's work in the period 2018-20. Together with communication and documentation, the strategic areas of operation make up the agency's four central ABB activities.

The information below summarises the implementation of the Agency's 2018 work programme highlighting main activities and results achieved. [More detailed information on Cedefop's multi-annual objectives and strategic areas of operation is available in its 2018-20 programming document; a detailed presentation of its performance indicators is/will be available in its annual report and the Consolidated Annual Activity Report (www.cedefop.europa.eu)].

ABB activity: Shaping VET

In line with its multiannual objective to monitor policy trends and analyse developments, Cedefop published in cooperation with the ETF the interim report 2015-17 on countries' progress towards the priorities agreed in the Riga conclusions within European cooperation in VET. The findings were used to inform discussions on the post-2020 VET priorities and the opinion of the Advisory Committee on Vocational Training on the future of VET. For the Presidency countries, short descriptions and spotlights on VET in Bulgaria and Austria were released on time for the meetings of Directors General for VET, and other high level meetings. Work in the IVET mobility scoreboard developed upon the Commission's request pursuant to the 'Youth on the Move' recommendation continued and the study on the key competences digital, literacy and languages in IVET was taken forward.

Cedefop continued working closely with the Commission in supporting the implementation of the EQF contributing to the 10th year anniversary conference organised in March 2018 (300 participants). Cedefop released 2 publications: the first, National qualifications developments in Europe 2017, reviews how 43 NQFs in 39 countries participating in the EQF implementation are structured, and how national qualifications have been allocated to NQF

levels and linked to the EQF; the second, Analysis and overview of NQF level descriptors in European countries 2017, shows that all 39 countries taking part in the EQF implementation have now defined – and for a large part adopted – their levels of learning outcomes.

The ‘Changing nature and role of VET in Europe’ research attracted a lot of interest from all VET stakeholders all over Europe. The research fed directly into the political debate on the future of VET by helping shape the priorities of the Austrian Presidency and inform the opinion on VET 2030, the ACVT adopted in December. The study’s outcomes were discussed at the Austrian Presidency conference on the future of VET (Vienna, 9 July) and Cedefop conference ‘VET in Europe – taking stock and looking ahead’ (Vienna, 7-8 November) which was the centrepiece of the vocational skills week under the Austrian Presidency. In the latter conference, which attracted more than 400 participants, a set of directions European VET might take were discussed, thus, supporting the ongoing policy discussion on VET post-2020

ABB activity: Valuing VET

In 2018, Cedefop has further developed its activity as a reference organisation in the area of lifelong guidance. As part of Cedefop’s resources aimed at providing support to national guidance services in using labour market information and integration of digital technologies, Cedefop’s ‘Resources for guidance’ database was online. The second CareersNet meeting analysed the results of the first update of the database of guidance systems and practices. Cedefop maintained its active collaboration with the European Commission by largely contributing to the ‘Validation Festival’ and providing input to the one-off reports on validation that Member States agreed to produce as a response to the 2012 Council recommendation.

In 2018, work on financial and non-financial incentives focused on financing apprenticeships in the EU Member States. An on-line database complements this analysis by providing detailed information on financing arrangements for each of the analysed apprenticeship scheme.

Cedefop also continued analysing the results of Cedefop’s Opinion survey on VET in Europe. Following the synthesis report published in 2017, a series of country reports were published in 2018 with a view to providing contextualised interpretations at national level and insights about citizen’s opinion on awareness, attractiveness and effectiveness of vocational education and training in own country. A new online tool allows users to explore survey results via different interactive visualisations

Cedefop continued its work on apprenticeships at both country and cross-national levels. The second policy learning forum on apprenticeships gathered together representatives from all countries involved in Cedefop thematic country reviews, as well as EU-level social partners and international organisations. At cross-country level, main outcomes of the cross-national overview of apprenticeship schemes in Europe were published. The analysis focused on selected apprenticeships schemes identified through screening all EU28 countries plus Iceland and Norway with a view of identifying those schemes sharing similar approaches and features. The entire data collection was published online in the form of a comprehensive database of the mainstream and legally-based apprenticeship schemes existing in the EU

28+. The database also marked the creation of the new Cedefop community of experts on apprenticeships aimed at supporting Cedefop in updating the database and enriching the knowledge base on apprenticeships at cross-country level.

Looking beyond apprenticeships and in the context of the European policy initiatives on upskilling pathways for low-skilled adults, Cedefop implemented its project on the potential of work-based learning in developing up-skilling pathways for adults. Besides the collection of good practices of upskilling adults through work based learning in the EU 28, Iceland and Norway, Cedefop developed a comprehensive analytical framework for designing and implementing upskilling pathways for adults.

To support the Council Recommendation on "Upskilling Pathways: new opportunities for adults", Cedefop organised in Brussels a dedicated policy learning forum (PLF) on 'Upskilling pathways: a vision for the future' in cooperation with the European Economic and Social Committee. The PLF demonstrated that many countries are already equipped to provide skills identification, training provision tailored to individuals' needs or validation and recognition of prior learning. However, it also highlighted that much needs to be done to bring together these services in a coordinated manner and within a coherent strategy.

The Agency also started a new research on 'Complementary Pathways for Adult Refugees: the Role of VET, Skills and Qualifications'. The ambition of the project is to provide a pragmatic contribution to the design of socially sustainable and effective mechanisms to improve the management of refugees and more generally of people in need of international protection within and also between EU Member States.

ABB activity: Informing VET

In 2018, a revamped version of the Skills Panorama was released. Faster to navigate and easier to use, the new Skills Panorama aspires to broaden its user groups and welcome guidance practitioners. Data and analysis offered in the Skills Panorama were kept up-to-date, including: new Cedefop forecast data; a new analytical highlight providing summary of key EU trends to 2030 based on the Cedefop skills forecast; and new blog articles.

Cedefop's European Skills Index is the most visited section of the Panorama, demonstrating the value of such new composite indicator to measure and compare the performance of the skills formation and matching systems in EU Member States. The new version of the index was officially presented on 27 September in Brussels in a dedicated event.

The new Cedefop's 2018 Skills Forecast was released on 8 June in Brussels. It provides timely information on Europe's skill needs and covers the period up to 2030. It produces information on jobs and skills for all Member States by sectors of economic activity and occupational groups. Key findings suggest that technological change may accelerate known employment trends, such as the shift to services, and may also increase polarisation in job growth, with fast growth projected for high-skill occupations and moderate growth for certain lower-skill jobs. The new set of results was disseminated through various activities, including a redesigned Cedefop web portal and a Briefing Note summarising the main results. A reference publication was released in December as a joint publication with

Eurofound. The 2018 Skills Forecast covers the period up to 2030 producing information on jobs and skills for all Member States by sectors of economic activity and occupational groups.

Furthermore, throughout 2018 Cedefop cooperated with Eurofound to prepare alternative scenarios and skills forecasts on the future of manufacturing, a project sponsored by DGGROW and the European Parliament. The results were presented at the occasion of the forecast release on 8 June in Brussels. This demonstrates the quality and value added of the Cedefop projections which were used by Eurofound and thus led to important synergies between the two agencies.

Cedefop continued to work towards developing a pan-European tool for analysing skill needs using online vacancies and big data analysis techniques. This cutting edge project attracted the attention of the European Commission, DG EMPL and of Commissioner Thyssen's Cabinet in particular. Cedefop was requested to accelerate the delivery of a first set of data in the beginning of 2019.

Cedefop continued its cooperation with the Eurostat's Big Data Task Force to work towards the development of an EU tool that can be progressively scaled up to meet the requirements of the European Statistical System for the production of vacancies statistics. Closer cooperation was also established with ESSnet as well as national statistical institutes across various Member States mainly on data validation.

Based on past collaboration on Skills for Green Jobs, Cedefop and the ILO joined forces again to map relevant developments in this area. Cedefop updated the reports for 6 EU countries and outcomes indicate that countries vary in their approach to defining green jobs and skills.

Cedefop pursues research and offers capacity-building support to national stakeholders in relation to skills anticipation and matching in the EU and in particular designing better targeted and more effective policy solutions. Cedefop is carrying out four country reviews focused on strengthening the governance of skills anticipation and matching systems of Greece, Bulgaria, Slovakia and Estonia. In the context of and as a key output of the country reviews, Cedefop organised in Thessaloniki a dedicated policy learning forum focused on skills anticipation and practices.

Cedefop also initiated a new strand of work on 'Digitalisation and the future of work', which analyses the impact and drivers of automation, robotics, artificial intelligence and other digital technologies on employment and changing skill needs of jobs, and considers their implications for VET policy. In addition to numerous international/EU events, Cedefop's analysis on the future of work was used to inform the European Group on Ethics in Sciences and New technologies and a new international working group set up by Microsoft.

PERFORMANCE INDICATORS 2018

39 Publications
59 meetings – 1 539 participants
422 references to Cedefop work in 200 EU-level policy documents and 244 references to Cedefop work in 99 documents issued by international organisations (OECD, UNESCO, ILO, World Bank and World Economic Forum)
176 contributions to senior stakeholder meetings that support policy implementation, e.g. <ul style="list-style-type: none"> • Meetings of Directors General (DGVt) and the Advisory Committee for Vocational Training (ACVT), European Commission working groups on VET (teachers and trainers) and digital skills. • Meetings with national stakeholders related to thematic country reviews
Website traffic: 584 000 visits, 1 347 000 page views
EU skills panorama: The total number of page-views was more than 386 000 (with an average of 02:57 minutes and 2.84 page views per visit).
74 contributions to other conferences and major events, including keynote speeches and participation in discussion panels
345 000 downloads of Cedefop publications
611 citations in academic literature 2018-2019. Most frequently quoted themes: skills supply and demand, qualification frameworks, validation of non-formal and informal learning, lifelong guidance and learning outcomes.
96% occupation rate of the establishment plan
Budget implementation rate: 100%

REPORTS ON IMPLEMENTATION OF THE 2018 BUDGET

In accordance with Article 97 of the Financial Rules and Articles 82 and 83 of the Implementing Rules, the budget implementation reports of the Centre for the financial year 2018 comprise:

- ☒ the report which aggregates all budgetary operations for the year in terms of revenue and expenditure (*previously*: budget outturn account),
- ☒ the explanatory notes, which supplement and comment on the information given in the reports.

1. Report aggregating all budgetary operations

Revenue and expenditure account for the financial year 2018 and 2017		
	2018	2017
Revenue		
Own revenue		
Commission contributions inc Norway and Iceland	17,840,210.00	17,859,389.00
Sundry revenue		
Assigned revenue	54,969.63	131,629.00
Other revenue	16,996.23	11,216.72
Total revenue (a)	17,912,175.86	18,002,234.72
Expenditure		
<i>Staff – Title 1 of the budget</i>		
Payments	10,028,845.00	9,854,529.26
Appropriations carried over	145,058.10	220,053.28
<i>Administration – Title 2 of the budget</i>		
Payments	1,036,740.83	1,025,570.82
Appropriations carried over	525,229.24	358,563.75
<i>Operating activities– Title 3 of the budget</i>		
Payments	1,880,487.29	1,829,457.99
Payments against outstanding commitments at 31/12/n-1	4,279,349.82	3,312,258.61
Payment appropriations carried over	-	-
<i>Assigned revenue (Grants + third countries and others)</i>		
Payments	428,574.91	70,752.06
Carryovers including assigned revenue not entered in the budget	0.00	373,605.28
Total expenditure (b)	18,324,285.19	17,044,791.05
Outturn of the financial year (c = a - b)	412,109.33	957,443.67
Balance carried over from the previous year		
Cancelled n-1 appropriations carried over (non-differentiated appropriations Titles 1 and 2)	62,136.87	52,766.90
Appropriations carried over from assigned revenue	373,605.28	312,728.34
Payment appropriations carried over from the previous year (Title 3)	-	-
Exchange-rate differences	-1,122.43	666.51
Balance for the financial year	22,510.39	1,323,605.42

2. Explanatory note

The Agency has had differentiated appropriations for Title 3 since 2004, which explains why no carryovers of appropriations for operational activities appear in the calculation of the budget outturn.

**FINANCIAL STATEMENTS****FINANCIAL YEAR 2018**

In accordance with Article 96 of the Financial Rules and Articles 79, 80 and 81 of the Implementing Rules, the financial statements of the Centre for the financial year 2018 comprise:

- ☒ the balance sheet and the statement of financial performance (*previously: economic outturn account*),
- ☒ the statement of changes in net assets,
- ☒ the cash-flow statement,
- ☒ the notes to the financial statements.

1.1. BALANCE SHEET

	2018	2017
ASSETS		
A. NON CURRENT ASSETS		
Intangible fixed assets	26,605.61	30,661.56
Tangible fixed assets	2,436,747.13	2,849,826.85
Land and buildings	2,033,533.31	2,294,556.23
Plant and equipment	67,345.25	86,739.28
Computer hardware	312,424.09	435,501.18
Furniture and vehicles	12,682.52	16,154.50
Other fixtures and fittings	10,761.96	16,875.66
Leasing	0.00	0.00
Tangible fixed assets under construction	0.00	0.00
Long-term pre-financing	0.00	0.00
Long-term pre-financing <i>LT pre-financing with consolidated EC entities</i>	0.00	0.00
Long-term receivables	5,076.41	5,076.41
Long-term receivables <i>LT receivables with consolidated EC entities</i>	0.00	0.00
TOTAL NON CURRENT ASSETS	2,468,429.15	2,885,564.82
B. CURRENT ASSETS		
Stocks	0.00	0.00
Short-term pre-financing	0.00	0.00
Short-term pre-financing <i>ST pre-financing with consolidated EC entities</i>	0.00	0.00
Short-term receivables	730,161.67	774,495.62
Current receivables	439,080.27	487,884.77
Long-term receivables falling due within a year		
Sundry receivables	12,447.36	29,520.87
Other	278,634.04	257,089.98
-Accrued income	0.00	0.00
-Deferred charges	278,634.04	257,089.98
<i>Deferrals and Accruals with consolidated EC entities</i>	0.00	0.00
<i>Short-term receivables with consolidated EC entities</i>	0.00	0.00
Cash and cash equivalents	120,675.18	1,642,847.21
TOTAL CURRENT ASSETS	850,836.85	2,417,342.83
TOTAL	3,319,266.01	5,302,907.65

	2018	2017
LIABILITIES		
A. CAPITAL	2,393,712.89	2,791,953.79
Reserves		
Accumulated surplus/deficit	2,791,953.79	3,800,687.02
Economic result of the year - profit+/loss-	-398,240.90	-1,008,733.23
B. Minority interest		
C. NON CURRENT LIABILITIES	0.00	0.00
Employee benefits	0.00	0.00
Provisions for risks and charges	0.00	0.00
Other long-term liabilities	0.00	0.00
Other long-term liabilities	0.00	0.00
Other LT liabilities with consolidated EC entities	0.00	0.00
Pre-financing received from consolidated EC entities	0.00	0.00
Other LT liabilities from consolidated EC entities	0.00	0.00
TOTAL CAPITAL + NON CURRENT LIABILITIES	2,393,712.89	2,791,953.86
D. CURRENT LIABILITIES	0.00	0.00
Provisions for risks and charges	6,735.64	6,735.64
Accounts payable	918,817.48	2,510,953.86
Current payables	602,838.34	520,429.18
Long-term liabilities falling due within the year	0.00	0.00
Sundry payables	6,670.84	8,311.03
Other	286,797.91	306,012.22
- Accrued charges	286,797.91	306,012.22
- Deferred income	0.00	0.00
Deferrals and accruals with consolidated EC entities	0.00	0.00
Accounts payable with consolidated EC entities	22,510.39	1,669,465.79
Pre-financing received from consolidated EC entities	22,510.39	1,669,465.79
Other accounts payable against consolidated EC entities	0.00	0.00
TOTAL CURRENT LIABILITIES	925,553.12	2,510,953.86
TOTAL	3,319,266.01	5,302,907.65

1.2. STATEMENT OF FINANCIAL PERFORMANCE

	2018	2017
Revenues from administrative operations	97,924.34	117,286.90
Other operating revenue	18,235,525.84	16,617,480.45
TOTAL OPERATING REVENUE	18,333,450.18	16,734,767.35
Staff and administrative expenses	-12,028,040.33	-11,969,467.27
Staff expenses	-9,742,928.01	-9,647,766.70
Fixed asset related expenses	-504,899.63	-577,043.93
Administrative expenses	-1,780,212.69	-1,744,656.64
Operational expenses	-6,699,478.52	-5,770,853.94
Other operational expenses	-6,699,478.52	-5,770,853.94
TOTAL OPERATING EXPENSES	-18,727,518.85	-17,740,321.21
SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES	-394,068.67	-1,005,553.86
Financial revenues	0.00	666.51
Financial expenses	-4,172.23	-3,845.88
Movement in pensions (- expense, + revenue)		
SURPLUS/(DEFICIT) FROM NON OPERATING ACTIVITIES	-4,172.23	-3,179.37
SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES	-398,240.90	-1,008,733.23
Extraordinary gains (+)		
Extraordinary losses (-)		
SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS	0.00	0.00
ECONOMIC RESULT OF THE YEAR	-398,240.90	-1,008,733.23

1.3. STATEMENT OF CHANGES IN NET ASSETS

Capital	Reserves		Accumulated Surplus / Deficit	Economic result of the year	Capital (total)
	Fair value reserve	Other reserves			
Balance as of 31 December 2017			3,800,687.02	-1,008,733.23	2,791,953.79
Changes in accounting policies				0.00	0.00
Balance as of 1 January 2018	0.00	0.00	3,800,687.02	-1,008,733.23	2,791,953.79
Other					0.00
Fair value movements					0.00
Movement in Guarantee Fund reserve					0.00
Allocation of the Economic Result of Previous Year			-1,008,733.23	1,008,733.23	0.00
Amounts credited to Member States					0.00
Economic result of the year				-398,240.90	-398,240.90
Balance as of 31 December 2018	0.00	0.00	2,791,953.79	-398,240.90	2,393,712.89

1.4. CASH-FLOW STATEMENT (INDIRECT METHOD)

	2018	2017
Cash Flows from ordinary activities		
Surplus/(deficit) from ordinary activities	-398,240.90	-1,008,733.23
Operating activities		
<u>Adjustments</u>		
Amortization (intangible fixed assets) +	16,432.20	41,551.77
Depreciation (tangible fixed assets) +	488,467.43	535,492.16
Increase/(decrease) in Provisions for risks and liabilities	0.00	0.00
Increase/(decrease) in Value reduction for doubtful debts	0.00	0.00
(Increase)/decrease in Stock	0.00	0.00
(Increase)/decrease in Long term Pre-financing	0.00	0.00
(Increase)/decrease in Short term Pre-financing	0.00	484,631.40
(Increase)/decrease in Long term Receivables		
(Increase)/decrease in Short term Receivables	44,333.95	26,406.47
(Increase)/decrease in Receivables related to consolidated EC entities	0.00	0.00
Increase/(decrease) in Other Long term liabilities	0.00	0.00
Increase/(decrease) in Accounts payable	61,554.66	178,163.01
Increase/(decrease) in Liabilities related to consolidated EC entities	-1,646,955.40	1,050,722.16
Net cash Flow from operating activities	-1,434,408.06	1,308,233.74
Cash Flows from investing activities		
Increase of tangible and intangible fixed assets (-)	-87,763.96	-263,780.66
Proceeds from tangible and intangible fixed assets (+)		
Net cash flow from investing activities	-87,763.96	-263,780.66
Net increase/(decrease) in cash and cash equivalents	-1,522,172.02	1,044,453.08
Cash and cash equivalents at the beginning of the period	1,642,847.21	598,394.13
Cash and cash equivalents at the end of the period	120,675.19	1,642,847.21

ANNEX

1. Introduction

Cedefop adopted its new Financial Rules (Decision DIR/RB(2014)00032) on 9 January 2014 in conformity with 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 ("the general Financial Regulation"). In that context, Cedefop applies the accounting rules referred to in Article 152 of the general Financial Regulation to allow its accounts to be consolidated with those of the Commission.

In accordance with Article 248 of Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union, all assets entered in the Centre's balance sheet are those with a purchase value equal to or higher than the accounting threshold and with a utilisation value higher than one year.

The depreciation of assets is calculated *pro rata temporis* from the time the asset enters into service, whereas its inclusion in the inventory takes place on the basis of its date of delivery.

Cedefop also adopted on 3 June 2014 its new Implementing Rules to the Financial Rules adopted on 9 January 2014 (and entered into force on 01.01.2014), which make the subject of a Governing Board Decision (DIR/RB(2014)01414) that also entered into force on 01.01.2014 (as per DG BUDG instruction of 28.04.2014). Articles 96 to 103 of that Decision (referring to Article 106 of the Financial Rules) include detailed provisions in regard to the inventory system.

Changes to the calculation of accruals and pre-financing given to suppliers

The 2014 accounts introduced a new method of calculating accruals whereby the figure is derived primarily from an analysis of invoices received in the following year plus those amounts where services or goods have been received but invoices are yet to be registered. This approach to the recognition of accrued expenses differs from previous years which included an internally generated estimate of the value of works performed by suppliers.

The new approach, agreed with the European Court of Auditors, offers a more transparent figure supported by third party documentation and is more in keeping with recognised accountancy practice.

Similarly, pre-financing given to suppliers had in previous years been adjusted to incorporate an estimate of work performed by suppliers. This estimate is no longer included in the calculation.

2. Remarks relating to fixed assets

The accounting threshold depends on the date of purchase of the asset (see table below).

Ref.	from	To	Amount
Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012	1.1.2013		€ 420
Regulation (EC, Euratom) No 2342/2002 of 23 December 2002	1.1.2003	31.12.2012	€ 420
Commission Regulation (EC) No 1687/2001 of 21 August 2001	31.8.2001	31.12.2002	€ 420
Decision 2000/716/EC	1.1.2000	30.8.2001	€ 420
Decision 97/594/EC	1.1.1997	31.12.1999	ECU 400

These assets were depreciated. The straight line depreciation method was used. The depreciation rates applied are those applied at the Commission, namely:

- ☒ Software and intangible assets: 4 years;
- ☒ land and buildings: 25 years
- ☒ plant and equipment: 4 or 8 years;
- ☒ furniture: 10 years;
- ☒ transport equipment and IT equipment: 4 years;

A. Intangible fixed assets

Development costs of new software systems have not been capitalised as they fall below the Agency's threshold of Euro 150 000. Development is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved, processes, systems or services before the start of production.

No research costs were incurred in 2018 i.e. costs associated with planned and original investigation with the prospect of gaining new technical knowledge and understanding leading to the production of new or substantially improved software or systems.

	Software
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A. Purchase value:	
Previous financial year	331,948.43
Additions	12,376.25
Withdrawals or transfers from other headings	-
<i>At the end of the financial year:</i>	344,324.68
B. Depreciation:	
Previous financial year	301,286.87
Additions	16,432.20
Transfer from other headings	-
<i>At the end of the financial year:</i>	317,719.07
Net book value (A – B)	26,605.61

B. Tangible fixed assets

	Land and buildings	Plant and equipment	Furniture	Transport equipment	IT equipment	Other tangible assets	Total
A. Purchase value:							
Previous financial year	6,872,029.66	878,083.86	295,843.45	70,897.80	1,772,954.71	177,667.69	10,067,477.17
Additions	-	22,210.20			53,177.51		75,387.71
From other headings		-52,658.49	-446.56		-183,569.88		-236,674.93
Transfers							
<i>At the end of the financial year:</i>	6,872,029.66	847,635.57	295,396.89	70,897.80	1,642,562.34	177,667.69	9,906,189.95
B. Depreciation:							
Previous financial year	4,577,473.43	791,344.58	279,688.95	70,897.80	1,337,453.53	160,792.03	7,217,650.32
Additions	261,022.92	41,604.23	3,471.98		176,254.60	6,113.70	488,467.43
From other headings		-52,658.49	-446.56		-183,569.88		-236,674.93
Transfers							
<i>At the end of the financial year:</i>	4,838,496.35	780,290.32	282,714.37	70,897.80	1,330,138.25	166,905.73	7,469,442.82
Net book value (A – B)	2,033,533.31	67,345.25	12,682.52	-	312,424.09	10,761.96	2,436,747.13

Through the course of 2016 repair works and replacement of the glass façade and the skylights in the three meeting rooms was undertaken and completed. An independent study confirmed that the observed damage which necessitated the repairs was linked to faulty construction. Cedefop has contacted the Greek authorities as the first step to initiate proceedings to recover the cost of these

repairs. Although Cedefop believes it has a strong case for settlement of these costs, approximately Euro 180 000, no income was accrued in the accounts in 2016. As at the end of 2018 discussions were still ongoing.

C. Long-term receivables

Long-term receivables represent deposits to Greek utilities for water and electricity.

D. Stocks

Cedefop no longer includes a valuation for its stock of publications as their market valuation is negligible.

E. Short-term pre-financing

Pre-financing is a payment intended to provide the beneficiary with a cash advance. The advance is repaid or used for the purpose for which it was provided during the period defined in the agreement. If the beneficiary does not incur eligible expenditures he/she has the obligation to return the pre-financing advance to Cedefop. The amount of the pre-financing is reduced (wholly or partially) by the acceptance of eligible costs where a tangible benefit or product has been received as explained in the introduction to these notes.

At year-end outstanding pre-financing amounts are valued at the original amount(s) paid, less amounts returned, eligible amounts cleared and/or value reductions. No pre-financing payments matching the conditions described above were outstanding at the year end.

F. Short term receivables

Consisting of:

- a) current receivables, chiefly of VAT charges to be recovered from Member States,
- b) sundry receivables, being advances on missions and school fees,
- c) deferred charges, being expenses paid in 2018 but relating to 2019.

Analysis of Accounts Receivable		
	2018	2017
VAT charges to be recovered from all EU countries	439 080.27	487 884.77
Staff related advances including school, canteen VAT and mission advances	12 447.36	29 520.87
Staff recovery of weighting factor adjustment	0.00	0.00
Deferred charges, i.e. expenses paid in advance e.g. insurance	278 634.04	257 089.98
Other small sundry items	0.00	0.00
	730 161.67	800 902.09

In February 2016, in accordance with Article 60(4) of the Agency's Financial Rules, Cedefop was obliged to issue debit notes to the Greek authorities representing the agency's claim for interest on these late settlements of outstanding VAT. These

debit notes of Euro 35 930 and Euro 22 000 relating to the years 2012 and 2013 respectively are still outstanding and will be recognised as income on receipt of the funds.

G. Cash and cash equivalents

This figure represents the sum of balances held in the Agency's two bank accounts BNP Paribas Fortis NV in Brussels and its local account with Alpha Bank A.E. and small petty cash and any positive credit card balances.

H. Long term provision

There are no long term provisions in the 2017 accounts.

I. Provisions for risks and charges

Provisions for risks and charges are recognised when Cedefop has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Following a tax audit conducted in 2016 by the General Directorate of the Tax Administration relating to VAT and withholding taxes, Cedefop received notice that the Agency was liable to pay an amount of Euro 6 735.64 for underpaid taxes and an associated penalty. Cedefop disputes the findings of the audit and may appeal. However, in line with the principal of prudence the Agency has charged its 2016 expenses with this amount and carries an equivalent provision in its balance sheet along with a receivable to be recovered from the Tax authorities. This provision remains outstanding as at the end of 2018. Efforts will be made in 2019 to resolve this issue.

J. Accounts payable

Consisting of:

- a) current payables, relating chiefly to invoices received from suppliers at the end of 2018 to be processed in 2019,
- b) sundry payables, payables relating to amounts to be paid from assigned revenue or to staff costs e.g. withheld taxes,
- c) accrued charges, expenses relating to 2018. See the beginning of the Notes for details on the changes to accrual calculation introduced in 2014.

	2018	2017
Accrued costs	81,522	128,206
Accrued leave	205,276	177,806
Total	286,798	306,012

- d) amounts payable to consolidated entities, being chiefly pre-financing received from the Commission. The total to be paid decreased substantially from Euro 1,669,466 in 2017 to Euro 22,510 in 2018. This figure consists of:

	2018	2017
Surplus on Budget Account	22,510	1,323,605

Grants Received 2013 or B/fwd	0	-161,629
Amount Rec'd (+) or Disp'd (-)	0	161,629
Grants Received 2014 or B/fwd	400,830	416,609
Less amount dispersed on above grant	-400,830	-70,749
Total	22,510	618,744

K. Contingent Liabilities

Contingent liabilities as at 31 December 2018 of budgetary commitments amounting to Euro 7 144 447 (Euro 7 779 991 in 2017) representing standing financial commitments to suppliers not appearing on the balance sheet.

L. Pension Obligations

Cedefop's staff are members of the European Communities Pension Scheme which is a defined benefit pension plan.

A defined benefit plan is a pension plan that generally defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age and years of service. Cedefop's staff contribute 10.10% of their basic salaries to the pension scheme and an additional 20.20% contribution is made by the European Commission. The cost to the European Commission is not reflected in the Agency's accounts.

Future benefits payable to Cedefop staff under the European Communities Pension Scheme are accounted for in the accounts of the European Commission. No provisions for such pensions are made in these accounts.

3. Notes to the financial statements

A. Revenue

Revenue and corresponding receivables are measured at the fair value of the consideration received or receivable and are accounted for in the period to which they relate. Cedefop's main source of revenue is the annual contribution from the European Commission. Calculation of this revenue is based on the results of the statement of financial performance. A positive result is shown as a liability and returned to the Commission the following year. As the disbursement or commitment of funds is a factor in the budgetary outturn it also forms part of the final calculation of revenue.

The amount received from the Commission is thus reduced by Euro 22 510 (representing the balance on the Statement of Financial Performance for 2018) when calculating the revenue.

The table below shows a detailed breakdown of the other sources of revenue.

Analysis of Revenue in the Economic Result Account 2018

--	--	--

Funds received from the Commission	17,434,000	
Less net surplus on the Budgetary Outturn Account	-22,510	
		17,411,490
Grant Income		
Agreement n° VS/2013/0554 disbursed	400,830	
		400,830
Other Operational Income		
Norway	385,290	
Iceland	20,920	
Reimbursements	16,127	
Interest	99	
		422,436
Subtotal		18,234,756
Revenue from Administrative and Financial operations		
Canteen		97,924
Gain on Exchange Rate		0
Commission		770
Grand Total Income		18,333,450

B. Expenditure

Expenditure and corresponding payables are measured at their fair value and accounted for in the period to which they relate.

Cedefop's statements follow the format used by the Commission and divide expenses into three categories: Administrative expenses, Operational expenses and Financial expenses.

a) Administrative expenses. These are subdivided into three sub-categories:

i) Staff expenses.

All salary calculations giving the total staff expenses included in the Statement of financial performance of the Agency are externalized to the Office for administration and payment of individual entitlements (also known as the Paymaster's Office-PMO) which is a central office of the European Commission.

The PMO's mission is to manage the financial rights of permanent, temporary and contractual staff working at the Commission, to calculate and to pay their salaries and other financial entitlements. The PMO provides these services to other EU institutions and agencies as well. The PMO is also responsible for managing the health insurance fund of the Institutions, together with processing and paying the claims of reimbursement from staff members. The PMO also manages the pension fund and pays the pensions of retired staff members. PMO is being audited by the European Court of Auditors.

The Agency is only responsible for the communication to the PMO of reliable information allowing them to calculate the staff costs. Cedefop is also responsible to check that this information has been correctly handled in the monthly payroll report used for accounting payroll costs. It is not responsible for the calculation of the payroll costs performed by PMO.

Staff costs essentially (although not entirely) correspond to Title 1 budget lines. Staff expenses are sometimes considered “administrative expenses” but it should be noted that the Centre employs a large number of experts performing operational tasks and in-house research. Approximately 66% of staff costs relate to operational personnel and hence should be interpreted as operational costs.

ii) fixed asset expenses, relating to depreciation costs (see above for further details).

iii) other administrative expenses, essentially following the Title 2 budget costs. These include such items as utilities, telecommunications, IT and building upkeep.

b) Operational expenses corresponding to Title 3 costs.

The 2018 figure of Euro 6 699 479 compares to the corresponding 2017 figure of Euro 5 770 854.

The report on Budgetary and Financial Management above gives a description of the various operational areas to which Cedefop is committed. A large part of these costs relate to commissioning research, meetings and publication costs for the dissemination of Cedefop’s research and policy analysis work as well as for knowledge brokering activities with Member States and other VET and labour market stakeholders. As mentioned in the administrative expenses these costs do not include the personnel costs of staff engaged in operational work.

c) Financial expenses relating to bank charges.

C. Economic Result for the Year

The deficit of Euro 398 241 (2.2% of Revenue) compares to last year’s deficit of Euro 1 008 733. Funds disbursed as pre-financing are not considered as expenditure until such time as the final or intermediate request for funds is received.

4. Reconciliation between budgetary result and economic result

Cedefop's financial statements are prepared on an accruals basis, where transactions are recorded in the period to which they relate. The result for the year using this basis is indicated in the economic outturn account. However, the Agency uses a modified cash accounting system for preparing the statement of financial performance and its other budgetary reporting. In this system only the payments made and revenues received in the period are recorded, together with payment appropriations that are carried forward.

The difference between the budgetary result and the economic result is made up as follows:

	2018	2017
Economic result	-398,240.90	-1 008,733.23
<i>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</i>		
Adjustments for Accrual Cut-off (reversal 31.12.2017)	-306,012.22	-287,274.25
Adjustments for Accrual Cut-off (cut-off 31.12.2018)	286,797.91	306,012.22
Unpaid invoices net of VAT at year end but booked in charges	584,552.42	498,938.71
Depreciation of intangible and tangible fixed assets	504,899.63	577,043.93
Provisions	-	-
Value reductions	-175.29	-167.49
Recovery Orders issued in 2018 and not yet cashed	-	-
Pre-financing given in previous year and cleared in the year	-	-
Pre-financing received in previous year and cleared in the year	-400,830.00	-70,748.50
Payments made from carry over of payment appropriations	516,480.16	545,669.97
Increase in prepayments to suppliers & reverse 2017 invoices	-520,482.77	-326,494.03
<i>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</i>		
Asset acquisitions (less unpaid amounts)	-87,763.96	-263,780.66
New pre-financing paid in 2018 and remaining open as at 31.12.2018	-	-
New pre-financing received in 2018 remaining open as at 31.12.2018	22,510.39	1,455,234.42
Budgetary recovery orders issued before 2018 and cashed in the year	-	-
Payment appropriations carried over to 2018	-670,287.34	-952,222.31
Cancellation of unused carried over payment appropriations from previous year	62,136.87	52,766.90
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	373,605.28	312,728.34
Adjustments Total	420,751.66	2,332,338.65
Budgetary result	22,510.76	1,323,605.42

5. **Distribution by grade of occupied posts in the 2018 establishment plan**

Annex A		
Categories Grades	Permanent posts	Temporary posts
AD 16	-	-
AD 15	-	-
AD 14	-	1
AD 13	-	2
AD 12	4	4
AD 11	-	9
AD 10	-	10
AD 9	-	5
AD 8	-	5
AD 7	-	4
AD 6	-	2
AD 5	-	-
	4	42
AST 11	-	1
AST 10	1	1
AST 9	-	1
AST 8	1	2
AST 7	3	7
AST 6	3	5
AST 5	-	6
AST 4	-	10
AST 3	-	-
AST 2	-	-
AST 1	-	-
	8	33
	12	75
Total		87
Vacant		4

Annex IX: Risk Management Plan

1) Risk management plan (RMP) - generic risk

Issue	Unforeseen demands by stakeholders
Responsible in Cedefop	Management
Risk	Delivery/quality is affected as demands from stakeholders, including European institutions, are not backed up by additional resources and, thus, are overstressing the available resources without allowing activities to be well planned and aligned. This may affect Cedefop's reputation and the quality and impact of the outcomes it produces.
Planned actions	Streamlining of activities in the early planning phase of the work programme, discuss negative priorities in-house and with Governing Board and Bureau and regular reporting to the latter on changes in the implementation of the work programme. Clear communication of Cedefop's objectives and capacity, anticipation of needs, monitoring of developments.

2) Risk management plan (RMP) – by activity / project

Issue	Skills supply and demand - RLMI
Responsible in Cedefop	Management
Risk	The initial project plan foresaw the delivery of the final data in 2020. Following policy needs linked to the skills agenda, it was agreed with the EC that an early data release will take place in December 2018 for 7 countries. However, methodological difficulties may prevent Cedefop from delivering robust real time labour market data classified by occupations and skills. The data produced in 2018 may thus not meet expectations, not provide sufficient added-value or may not fit for the intended use by the EC. Given that using big data to obtain better information on skills demand is high on the EC agenda, this may negatively reflect upon the capacity of Cedefop to deliver results and the reputation of the Agency.
Planned actions	The EC, GB and Bureau are kept regularly informed of progress and involved in decision making about the project as necessary. Cedefop provides clear information on what the system can deliver and what it cannot. The EC is involved in the planning and monitoring of the next phase of the project and EC representatives are invited to workshops in which the methodology to collect and analyse vacancies in real time is debated and scrutinised.

Issue	EU skills panorama
Responsible in Cedefop	DSL
Risk	<p>It is now planned that the skills panorama operates as an independent site until end 2018. The budget necessary to this end has been secured in 2017.</p> <p>Uncertainty regarding the new Europass launch and the services it will deliver to the users still however generates uncertainty regarding the future of the Skills Panorama. It is still unclear at this stage what will be the implications for the whole design and user experience of the Skills panorama, as well as the wealth of data and information it contains. As a result, possible implications for the Skills panorama team and work programme are also difficult to assess.</p>
Planned actions	<p>Cedefop is a member of the EC working group on the new Europass and is informed of developments in order to take actions and adjust plan swiftly as needed.</p> <p>If the new Europass is launched in 2018, Skills Panorama users will be informed accordingly and automatically redirected to the new Europass.</p> <p>Communication activities help manage the transition between the two websites. Cedefop website is used to cater for the needs of expert users who want to access latest data on skills supply and demand produced by Cedefop (as these users are not among the primary target groups of Europass).</p>

Issue	Uncertainty regarding the involvement of Cedefop in the new Europass platform (DSI and DSL)
Responsible in Cedefop	DSL
Risk	<p>Progress with the business needs analysis of the New Europass are slow and no decision has been taken yet by the Council. The project has also been put temporary on hold in light of the announcement of the creation of a European Labour Authority. At this stage it is still unknown whether the new Europass will be launched in 2018 and the type of services it will offer to users.</p> <p>Furthermore, no decision is yet taken by the Governing Board as regards the involvement of Cedefop in the new platform. Whichever will be the decision, it will have an impact on the overall planning of the financial and human resources of Cedefop.</p> <p>Should the Governing Board decide in 2018 that Cedefop takes over the management of the new Europass platform, the Agency needs to be in a position to quickly take over this task and ensure the closing down of the old platforms (Europass and Skills Panorama) and the smooth</p>

	<p>transition to the new one.</p> <p>Throughout the transition process, it will be vital to secure continuity and quality of the services provided to the individuals. The current Europass and Skills Panorama websites, which the Agency developed and maintained on behalf of the Commission since 2004 and 2014 respectively, have constituted a stable and faithful group of users. Discontinuity of service may affect negatively the reputation of Cedefop. In the transition to the new Europass, part of the substantial resources that Cedefop has invested in developing and maintaining the current Europass and Skills Panorama sites (2,700,000 and 2,150,000 EUR respectively) might be lost.</p>
Planned actions	<p>Cedefop is a member of the EC working group on the new Europass and is informed of developments in order to take actions and adjust plan swiftly as needed. Timely decision of the Governing Board will be ensured as needed. Europass and Skills Panorama users will be automatically redirected to the new Europass. Cedefop website is used to cater for the needs of expert users who want to access latest data on skills supply and demand produced by Cedefop (as these users are not among the primary target groups of Europass). Communication activities will help managing the transition between the three websites.</p> <p>Cedefop's Bureau and Governing Board are kept regularly informed of progress and involved in decision-making about the project as necessary.</p>