



EXECUTIVE DIRECTOR

RB(2020)00958
Thessaloniki, 31 August 2020**NOTE****Report of the Director to the Discharge Authority on measures taken in light of the Discharge Authority's recommendations of 2018***REFERENCE: P9_TA-PROV(2020)0092 of 13 May 2020*

TITLE	No	Recommendation	Centre's reply	Status
Performance	8	Calls on the Centre to pursue the digitalisation of the institution;	Streamlining and digitising procedures and harmonisation of the IT landscape with the European Commission and other Agencies are driving the modernisation of the	Ongoing

			<p>Agency's administrative processes and of its ICT infrastructure and services.</p> <p>Cedefop is also finalising an ICT strategy and roadmap with the ambition to support the digital transformation of the Agency, i.e. using ICT to enable core business, knowledge sharing and creation as well as to improve corporate services and processes.</p> <p>The Covid-19 crisis has also accelerated the digitisation process:</p> <ul style="list-style-type: none"> - Cedefop has adapted its Finance and Procurement procedures to ensure the remote processing of commitments, payments, contract amendments, contract awards and order forms; - Cedefop has decided to adopt e-signature and has requested to obtain EU-sign certificates from the European Commission; - A number of workflows in HR and in finance will be fully digitised by end 2020. - On 26 June 2020 Cedefop signed a Service Level Agreement with DG BUDG for the migration to ABAC (the finance and accounting system of the European Commission). The project was initiated and is expected to be implemented in 2021. 	
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	9	<p>Encourages the Centre to implement the Court's recommendations;</p>	<p>Cedefop follows closely each recommendation of the European Court of Auditors and implements actions that originate following the adversarial procedure each year, with immediate effect and depending on the nature of the recommendation.</p> <p>A regular monitoring of actions from recommendations stemming from all audits and evaluations 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. The Management Board and Executive Boards are kept regularly informed of progress in the implementation of the agreed actions.</p>	Completed
Staff policy	15	<p>Notes that the Centre has been taking measures in light of the observations and comments from the discharge authority related to the Centre's new head of service for human resources, which took up duties in January 2019, as well as to the decision to externalise the Centre's legal service; notes with concern that, given the high number of legal cases with which the Centre is involved, the full outsourcing of legal services</p>	<p>Cedefop noted and duly considered the observations of the European Court of Auditors in their Annual Report on EU agencies for the financial year 2018 and also the concerns expressed by the discharge authority that the full outsourcing model of the Agency's legal service provision created a risk to the consistent treatment of cases and the principle of sound financial management, namely the principle of efficiency.</p> <p>Following the dismantling of the in-house legal service in November 2017, Cedefop no longer employs an internal legal advisor. Since then, all legal needs have been covered by several external legal providers by way of</p>	Ongoing

		<p>creates a risk to the consistent treatment of cases and to the principle of efficiency; calls on the Centre to report to the discharge authority of any developments in that regard;</p>	<p>service level agreements (e.g. with DGHR) or contracts with external lawyers/law firms.</p> <p>In the second half of 2018, Cedefop’s Acting Director introduced several improvements, addressing some of the critical areas identified, as also acknowledged by the ECA in their final report, in particular as regards transparency.</p> <p>The risks identified by Cedefop management, flagged as critical in the 2019 and 2020 risk management plans (see Programming Documents 2019-21 and 2020-22), as well as the issues raised by the ECA and the Discharge Authority have been brought to the attention of Cedefop’s (Extended) Executive Board and made the object of regular reports to and discussions with them in 2018 and 2019 (<i>July and August 2018, January, March and September 2019</i>). This within the scope defined by the Executive Board i.e. that a decision on whether or not an internal legal service should be re-instated could only be taken by the new Executive Director, who took up duties in September 2019.</p> <p>During the Virtual Extended EB meeting of 29 and 30 June 2020, Cedefop’s new Executive Director reported to the Executive Board on the status of the Agency’s legal function and proposed a contingent decision logic according to which Cedefop would monitor the situation thoroughly over the next twelve months before he takes a decision about re-establishing an internal legal service or not.</p>	
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Staff policy	16	<p>Notes the Centre's ongoing process to improve selection procedures by ensuring compliance with designing criteria assessed by the selection boards and increased controls by human resources; notes with concern that, according to the Court's report, the two audited recruitments made in 2018 from two reserve lists established in 2015 and 2016 were inadequately managed and documented, as was the case for several other recruitment procedures audited in previous years; urges the Centre to take immediate</p>	<p>Cedefop has already improved its selection procedures in general and has new processes in place. As part of this undertaking, the vacancy notice template has been improved in quality and transparency of assessment criteria. Applicants are assessed against all the criteria mentioned in the vacancy notice, in successive phases, as described in the vacancy notice. HR is a member or advisor in all selection panels and ensures compliance and quality controls throughout the procedure to ensure that the selection board correctly assesses the candidates against all applicable assessment criteria. Furthermore, regular ex-post controls of a sample of recruitment process will be carried out. Finally, in order to guide the applicants better through the selection process a Guide for External Applicants</p> <p>(https://www.cedefop.europa.eu/files/cedefop_guide_for</p>	Completed

		corrective actions to ensure regular recruitment procedures and to report to the discharge authority on the measures taken to that effect;	<p>external applicants.pdf) has been published on Cedefop's website.</p> <p>Cedefop's comprehensive undertaking to improve selection procedures comprises several other measures. These include: further training of HR staff in selection procedures, new guidelines and procedures regarding the selection board and conflict of interest, workflow and documentation to ensure compliance in the composition of the selection board.</p>	
	18	Welcomes the fact that the Centre has close to an overall gender balance among its staff (59 % women female and 41 % men), but regrets the lack of detail provided regarding gender balance at management levels	<p>Cedefop management team consists of Executive Director, Deputy Director and 5 Heads of Department. For most part of 2018 and up until 1 September 2019, the Deputy Director was serving as Acting Director and there were changes at Head of Department level. In this context, the gender distribution at management level experienced fluctuations in the course of 2018. On 31 December 2018, the gender balance of the management team was 50:50 and on 31 December 2019 33:67. Data regarding gender evolution over 5 years of the middle and senior management has been an integral part of the most recent programming documents.</p>	Completed
	20	Regrets the lack of clarity provided regarding the geographical balance of the staff;	<p>Cedefop regularly reports on the geographic staff distribution in the Programming Document (geographic staff distribution split per Administrator/CA FG IV and Assistant /CA FG I, II, III) and on the evolution over 5 years of the most represented nationality in the Agency,</p>	Completed

			<p>in accordance with the programming document guidelines.</p> <p>Through its recruitments, Cedefop strives to improve the geographical balance of staff by e.g. broader dissemination of vacancy notices and implementation of measures to attract and retain staff with a diverse geographical profile.</p>	
<p>Procurement</p>	<p>21</p>	<p>Deplores the fact that, according to the Court's report, in the procurement procedure for the Centre's travel agency services, price and quality criteria were not always detailed enough to ensure the procurement of the best value for money contracts; regrets the fact that the Centre's methodology and documentation of potentially abnormally low offers was insufficient;</p>	<p>Cedefop noted and duly considered the Court's comment on price and quality criteria and will improve the application of quality award criteria in future procurement procedures for similar services.</p> <p>Cedefop adjusted the methodology of abnormally low prices evaluation already in the second half of 2018. The calculation of the abnormally low price is made by comparing the price of each tenderer with the average of all technically compliant offers.</p> <p>Furthermore, in 2019, Case Law prescribed that Contracting Authorities should avoid announcing a fixed threshold of deviation defining abnormally low prices. The financial rules do not dictate any percentage and the Evaluation Committee's judgement should not be conditioned. In contrast the Evaluation Committee should be free to evaluate the offers and ask for clarifications where there is manifest abnormally low tender received and the tenderer cannot sufficiently support the low price, given all environmental, labour, tax and other obligations are met.</p> <p>Acting proactively, the Agency therefore changed again the definition of the abnormally low prices in the tender</p>	<p>Ongoing</p>

			documents. Therefore, the new open procedures published in late 2019 and in 2020 contained a broad definition of abnormally low price, allowing the Evaluation Committee to conclude on whether prices quoted are abnormally low or justified.	
Prevention and management of conflicts of interests and transparency	22	Notes the Centre's existing measures and ongoing efforts with regard to ensuring transparency, the prevention and management of conflicts of interests, and the protection of whistleblowers; points out with concern, however, that the Centre does not yet publish the CVs of its senior management on its website, and that the Centre's senior management, in-house experts and assistants declare potential conflicts of interests only as they occur in accordance with the Centre's 2014 policy on the prevention and management of conflicts of interests ; notes the Centre's updated guidelines on reporting conflicts of interests in selection and recruitment processes and its preparation of revised rules	<p>A revised decision of Cedefop's Management Board on the Rules on the prevention and management of conflicts of interests for Management Board members, independent experts, seconded national experts and other staff not employed by Cedefop, was adopted in October 2019. In March 2019, Cedefop updated its guidelines on reporting potential conflicts of interest in selection and recruitment processes.</p> <p>A section of the agency's intranet under Ethics and Staff Conduct is dedicated to the prevention and management of conflict of interest, including templates for the declaration of absence of conflicts of interest in selection and recruitment procedures as well as for declaring absence of conflict of interest for opening and evaluation committees in procurement procedures.</p> <p>In order to prevent, detect, monitor and deal with situations of potential or actual conflict of interest, Cedefop requests staff members who act in a situation where a conflict of interest may arise to declare potential or actual interests (e.g. when acting as members of selection boards in recruitment procedures or opening and evaluation committees in procurement procedures).</p> <p>As of July 2020, the CVs as well as the declarations of absence of conflict of Cedefop's Executive Director,</p>	Completed

		for the prevention and management of conflicts of interests for management board members, independent experts and other staff;	Deputy Director and Heads of Department are published on Cedefop's website (https://www.cedefop.europa.eu/en/about-cedefop/who-we-are/who-is-who)	
General	25	Calls on the Centre to focus on disseminating the results of its research to the public, and to reach out to public via the social media and other media outlets;	Cedefop disseminates its research results by systematically focusing on dissemination of e-publications, online tools and data-visualisation via its web portal www.cedefop.europa.eu (790.000 visits, 1.335.000 page views in 2019), complemented by mailings of multilingual briefing notes, newsletters, press releases, social media and audio-visual activities. In the same year Cedefop published six thematic briefing notes, all available online in eight languages plus the language of the European Presidency country. Continued, systematic and targeted promotion and dissemination of Cedefop publications (424.000 downloads) resulted in high demand for briefing notes (72.000 downloads), targeting policy-makers, social partners, researchers, practitioners, journalists and the interested wider public. Communication of research results included also three issues of Cedefop's print magazine 'Skillset and match', 10 issues of the agency's electronic newsletter, 59 website headlines, 134 Facebook posts and over 1.520 tweets and retweets. 17 press releases and finally 15 video clips, being viewed by over 90.300 citizens. Cedefop's followers on Facebook increased by nearly	Completed

			15% to a total of 13.857 in 2019, and on Twitter 8.798 followers were counted, an increase of about 17% since 2018.	
Internal Audit	26	Notes with deep concern that following the audit conducted by the internal audit service on the Centre's human resources management and ethics from 14 to 18 January 2018, recruitment procedures were still ranked as critical;	In November 2019, the IAS carried out a follow-up audit on the recruitment procedures. In its note of 27 January 2020, the IAS concluded that the Agency had implemented adequately and efficiently all the actions agreed in the IAS action plan regarding recruitment procedures and therefore closed the recommendation.	Completed