



2015/2173(DEC)

2.2.2016

DRAFT REPORT

on discharge in respect of the implementation of the budget of the European
Training Foundation for the financial year 2014
(2015/2173(DEC))

Committee on Budgetary Control

Rapporteur: Derek Vaughan

CONTENTS

	Page
1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION	3
2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION	5
3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION	7

1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2014 (2015/2173(DEC))

- having regard to the final annual accounts of the European Training Foundation for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2014, together with the Foundation's replies¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of xx February 2016 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2014 (xxxxx/2016 – C8-xxxx/2016),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³, and in particular Article 208 thereof,
- having regard to Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation⁴, and in particular Article 17 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities⁵,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council⁶, and in particular Article 108 thereof,
- having regard to Rule 94 of and Annex V to its Rules of Procedure,

¹ OJ C 409, 9.12.2015, p.266.

² OJ C 409, 9.12.2015, p.266.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 354, 31.12.2008, p. 82.

⁵ OJ L 357, 31.12.2002, p. 72.

⁶ OJ L 328, 7.12.2013, p. 42.

- having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0000/2016),
- 1. Grants the Director of the European Training Foundation discharge in respect of the implementation of the Foundation's budget for the financial year 2014;
- 2. Sets out its observations in the resolution below;
- 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the European Training Foundation, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on the closure of the accounts of the European Training Foundation for the financial year 2014
(2015/2173(DEC))**

The European Parliament,

- having regard to the final annual accounts of the European Training Foundation for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2014, together with the Foundation's replies¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of xx February 2016 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2014 (xxxxx/2016 – C8-xxxx/2016),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³, and in particular Article 208 thereof,
- having regard to Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation⁴, and in particular Article 17 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities⁵,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council⁶, and in particular Article 108 thereof,

¹ OJ C 409, 9.12.2015, p.266.

² OJ C 409, 9.12.2015, p.266.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 354, 31.12.2008, p. 82.

⁵ OJ L 357, 31.12.2002, p. 72.

⁶ OJ L 328, 7.12.2013, p. 42.

- having regard to Rule 94 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0000/2016),
1. Notes that the final annual accounts of the European Training Foundation are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of the European Training Foundation for the financial year 2014;
 3. Instructs its President to forward this decision to the Director of the European Training Foundation, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2014
(2015/2173(DEC))**

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2014,
 - having regard to Rule 94 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0000/2016),
- A. whereas, according to its financial statements, the final budget of the European Training Foundation (“the Foundation”) for the financial year 2014 was EUR 20 158 053, representing an increase of 0,07 % compared to 2013; whereas the entire budget of the Foundation derives from the Union budget;
- B. whereas the Court of Auditors, in its report on the annual accounts of the European Training Foundation for the financial year 2014 ("the Court's report"), stated that it had obtained reasonable assurances that the Foundation’s annual accounts were reliable and that the underlying transactions were legal and regular;

Follow-up of 2013 discharge

1. Welcomes the fact that, after an agreement on the Foundation’s premises was signed in March 2013 with the authorities of the Piedmont region in Italy, the Foundation carried out extraordinary maintenance of the premises and assumed direct control of the internal systems such as water, gas and electricity, while the common systems remained under the overall management and maintenance of the region; notes with satisfaction that in July 2015 the Foundation and the Piedmont region signed a new agreement on the premises covering the 2016-2018 period;

Budget and financial management

2. Notes that budget monitoring efforts during the financial year 2014 resulted in a high budget implementation rate of 99,90 %, indicating that commitments were made in a timely manner, and that the payment appropriations execution rate was high at 94,80 %;
3. Acknowledges that the Foundation participated in the Commission’s inter-institutional bank tender, which resulted in concluding a contract with a new bank; notes from the Court’s report that the Foundation reduced the amount held in the Italian bank with a low credit rating (F3, BBB) from EUR 7 500 000 in 2013 to EUR 1 800 000 in 2014; takes note that, due to specific banking issues, the Foundation is obliged to keep an Italian bank;

Commitments and carryovers

4. Notes from the Court's report that the total amount of committed appropriations carried over to 2015 amounted to EUR 940 119 (4,7 % of total appropriations); takes note that the carryovers were at EUR 756 768 (36,2 %) for Title II (administrative expenditure), representing an increase of 6,2 % compared to the previous year; acknowledges that those carryovers mainly related to software, hardware and furniture renewal purchases;
5. Observes that an amount of EUR 2 618 494 was carried forward from the financial year 2013; notes that EUR 85 129 (3,25 %) of 2013 carry forwards were cancelled; takes note that the cancellations of 2013 carry forwards were high for Title I (staff expenditure) at 15,9 % and for Title II (administrative expenditure) at 7,6 %, indicating an over-estimation of financial needs; acknowledges from the Foundation that those cancellations were mainly related to unexpected delays and unforeseen staff issues;

Transfers

6. Notes with satisfaction that according to the Foundation's Annual Report, as well as the Court's audit findings, the level and nature of transfers in 2014 remained within the limits of the financial rules;

Procurement and recruitment procedures

7. Notes that the Foundation has been striving to reduce the number of staff in central administrative functions since the adoption of its recast mandate in 2008, while at the same time maximising the number of experts it deploys, increasing the staffing of its operations department by 19 %, from 64 in 2008 to 76 in 2014;

Prevention and management of conflicts of interests and transparency

8. Notes that the Foundation carried out in 2014 the exercise of requesting CVs and declarations of interest of its Governing Board members, Director and senior managers; notes, moreover, that the majority of CVs and declarations of interest collected have been published on the Foundation's website; takes note that the Foundation is actively pursuing the publication of the residual number of outstanding CVs and declarations, which will be published upon receipt, provided that consent for publication is given;

Internal audit

9. Notes that in accordance with the audit plan, the Commission's Internal Audit Service (IAS) did not carry out an audit during the course of 2014; ascertains that at the end of 2014, all six recommendations issued by the IAS following the 2013 audit on expert management and missions were addressed by the Foundation; notes furthermore that the evidence was provided to IAS for its annual review in 2014 and that in July 2015 the IAS formally closed five out of six recommendations while downgrading one recommendation from "very important" to "important";

◦
◦ ◦

10. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of [xx xxxx 2016]¹ on the performance, financial management and control of the agencies.

¹ Texts adopted of that date, P8_TA(-PROV)(2016)0000.