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*Committee on Budgetary Control*

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**2014/2104(DEC)**

22.1.2015

## **DRAFT REPORT**

on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2013  
(2014/2104(DEC))

Committee on Budgetary Control

Rapporteur: Ryszard Czarnecki

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## 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 2013 (2014/2104(DEC))

*The European Parliament,*

- having regard to the final annual accounts of the European Training Foundation for the financial year 2013,
- having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2013, together with the Foundation's replies<sup>1</sup>,
- having regard to the statement of assurance<sup>2</sup> 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 2013, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of ... on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2013 (00000/2015 – C8-0180/2015),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>3</sup>,
- 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 1605/2002<sup>4</sup>, 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 Foundation<sup>5</sup>, 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 Communities<sup>6</sup>,

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<sup>1</sup> OJ C 442, 10.12.2014, p. 260.

<sup>2</sup> OJ C 442, 10.12.2014, p. 260.

<sup>3</sup> OJ L 248, 16.9.2002, p. 1.

<sup>4</sup> OJ L 298, 26.10.2012, p. 1.

<sup>5</sup> OJ L 354, 31.12.2008, p. 82.

<sup>6</sup> OJ L 357, 31.12.2002, p. 72.

- 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 Council<sup>1</sup>, and in particular Article 108 thereof,
  - 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 (A8-0000/2015),
1. Grants the Director of the European Training Foundation discharge in respect of the implementation of the Foundation's budget for the financial year 2013 / Postpones its decision on granting the European Training Foundation discharge in respect of the implementation of the Foundation's budget for the financial year 2013;
  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).

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<sup>1</sup> OJ L 328, 7.12.2013, p. 42.

## 2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on the closure of the accounts of the European Training Foundation for the financial year 2013  
(2014/2104(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Training Foundation for the financial year 2013,
- having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2013, together with the Foundation's replies<sup>1</sup>,
- having regard to the statement of assurance<sup>2</sup> 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 2013, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of ... on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2013 (00000/2015 – C8-0180/2015),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>3</sup>,
- 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 1605/2002<sup>4</sup>, 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 Foundation<sup>5</sup>, 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 Communities<sup>6</sup>,

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<sup>1</sup> OJ C 442, 10.12.2014, p. 260.

<sup>2</sup> OJ C 442, 10.12.2014, p. 260.

<sup>3</sup> OJ L 248, 16.9.2002, p. 1.

<sup>4</sup> OJ L 298, 26.10.2012, p. 1.

<sup>5</sup> OJ L 354, 31.12.2008, p. 82.

<sup>6</sup> OJ L 357, 31.12.2002, p. 72.

- 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 Council<sup>1</sup>, and in particular Article 108 thereof,
  - 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 (A8-0000/2015),
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 2013 / Postpones the closure of the accounts of the European Training Foundation for the financial year 2013;
  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).

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<sup>1</sup> OJ L 328, 7.12.2013, p. 42.

### 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 2013  
(2014/2104(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 2013,
  - 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 (A8-0000/2015),
- A. whereas, according to its financial statements, the final budget of the European Training Foundation (“the Foundation”) for the financial year 2013 was EUR 20 143 500, representing a decrease of 0,01 % compared to 2012; 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 2013 (“the Court's report”), has stated that it has obtained reasonable assurances that the Foundation’s annual accounts are reliable and that the underlying transactions are legal and regular,

#### ***Follow-up of 2012 discharge***

1. Acknowledges from the Foundation that negotiations were opened with the new government of the Piedmont region in Italy, where the Foundation’s seat is established, concerning the renewal of the service contract for its premises from 2015;

#### ***Budget and financial management***

2. Notes that budget monitoring efforts during the financial year 2013 resulted in a budget implementation rate of 99,78 % and that the payment appropriations execution rate was 95,72 %;
3. Takes note from the Court's report that at the end of 2013, the Foundation had EUR 7 500 000 in accounts at a single bank with a low credit rating (F3, BBB); acknowledges from the Foundation that the high bank balance at the year-end occurred as a result of the first instalment of the 2014 subvention being paid in advance, as well as funds received for the new GEMM and FRAME projects; notes the Foundation's intention to participate in a joint procurement procedure for banking services launched by the Commission;

### ***Commitments and carryovers***

4. Acknowledges from the Court's report that no comments were made regarding the commitments and the carryovers for the financial year 2013 and commends the Foundation for its good budgetary planning;

### ***Procurement and recruitment procedures***

5. Ascertains from the Court's report that neither sampled transactions nor other audit findings have led to any comments on the Foundation's procurement procedures for the financial year 2013;

### ***Prevention and management of conflicts of interests and transparency***

6. Acknowledges from the Foundation that it has adopted and published the guidelines on preventing and managing conflicts of interest; takes note of the Foundation's plan to publish the CVs and declarations of interest of its Governing Board members, Director and senior managers on its website and calls on the Foundation to inform the discharge authority about the results of this exercise as soon as it is completed;

### ***Internal audit***

7. Acknowledges from the Foundation that in 2013, the Commission's Internal Audit Service (IAS) carried out the audit on the design and effective application of the internal control system (ICS) set up by the management with regard to the Expert Management and Missions; notes that this work assessed in particular whether the ICS, as implemented at the time of the fieldwork, provided reasonable assurance regarding compliance with the applicable rules and regulations, as well as effectiveness and efficiency of the Expert Management and Missions processes, as set out in the audit scope;
8. Takes note that based on the results of that audit, the IAS considers the ICS as providing reasonable assurances, with the exception of the formal appointment of the selection panel, as well as the declarations of absence of conflicts of interest and of confidentiality;
9. Notes from the Foundation that following that audit, it has prepared an action plan which was submitted to the IAS; takes note that the IAS considers it adequate in order to serve as a basis for effective implementation and follow up of the IAS audit recommendations;
10. Acknowledges from the Foundation that as of 1 September 2014, the IAS has formally closed all 14 recommendations from the 2011 IAS audit on communication;

### ***Performance***

11. Acknowledges from the Foundation that in accordance with its communication policy, the general public is a key target of its communication activities; observes that the first level of information on the Foundation's website is aimed at interested citizens and



contains general information, concrete activities and results; notes the Foundation's use of other channels of communication such as traditional media and social media;

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12. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of ... 2015<sup>1</sup> on the performance, financial management and control of the agencies.

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<sup>1</sup> Texts adopted of that date, P7\_TA-PROV(2015)0000.