



**2016/2171(DEC)**

3.2.2017

# **DRAFT REPORT**

on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2015  
(2016/2171(DEC))

Committee on Budgetary Control

Rapporteur: Inés Ayala Sender

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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 2015 (2016/2171(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Training Foundation for the financial year 2015,
- having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2015, together with the Foundation's reply<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 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of ... February 2017 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2015 (00000/2017 – C8-0000/2017),
- 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 1605/2002<sup>3</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>4</sup>, and in particular Article 17 thereof,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council<sup>5</sup>, and in particular Article 108 thereof,
- having regard to Rule 94 of and Annex IV to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0000/2017),

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<sup>1</sup> OJ C 449, 1.12.2016, p. 168.

<sup>2</sup> OJ C 449, 1.12.2016, p. 168.

<sup>3</sup> OJ L 298, 26.10.2012, p. 1.

<sup>4</sup> OJ L 354, 31.12.2008, p. 82.

<sup>5</sup> OJ L 328, 7.12.2013, p. 42.

1. Grants the Director of the European Training Foundation discharge in respect of the implementation of the Foundation's budget for the financial year 2015 / Postpones its decision on granting the Director of the European Training Foundation discharge in respect of the implementation of the budget of the Foundation for the financial year 2015;
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 2015 (2016/2171(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Training Foundation for the financial year 2015,
- having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2015, together with the Foundation's reply<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 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of ... February 2017 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2015 (0000/2017 – C8-0000/2017),
- 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 1605/2002<sup>3</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>4</sup>, and in particular Article 17 thereof,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council<sup>5</sup>, and in particular Article 108 thereof,
- having regard to Rule 94 of and Annex IV to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0000/2017),

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<sup>1</sup> OJ C 449, 1.12.2016, p. 168.

<sup>2</sup> OJ C 449, 1.12.2016, p. 168.

<sup>3</sup> OJ L 298, 26.10.2012, p. 1.

<sup>4</sup> OJ L 354, 31.12.2008, p. 82.

<sup>5</sup> OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of the European Training Foundation for the financial year 2015 / Postpones the closure of the accounts of the European Training Foundation for the financial year 2015;
2. 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 2015  
(2016/2171(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 2015,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0000/2017),
- A. whereas, according to its financial statements, the final budget of the European Training Foundation (“the Foundation”) for the financial year 2014 was EUR 20 153 042, representing a decrease of 0,02 % compared to 2014; whereas the entire budget of the Foundation derives from the Union budget,
- B. whereas the Court of Auditors (the “Court”), in its report on the Foundation’s annual accounts for the financial year 2014 (“the Court's report”), stated that it obtained reasonable assurances that the Foundation’s annual accounts are reliable and that the underlying transactions are legal and regular,

#### ***Follow-up to 2014 discharge***

1. Notes from the Court's report that funds amounting to EUR 7,5 million deposited at a single bank with a low credit rating made in the Court's 2013 report and marked as "ongoing" in the Court’s 2014 report are still marked as on "ongoing"; notes that due to specific banking issues, the Foundation is obliged to keep an Italian bank; acknowledges, however, that the funds held at that bank were reduced to EUR 1,8 million in 2015;
2. Notes from the Court's report that, corrective action was taken with regard to a note in the Court's 2014 report and the comment is now marked as “completed”;

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

3. Notes that budget monitoring efforts during the financial year 2014 resulted in a high budget implementation rate of 99,89 %, indicating that commitments were made in a timely manner, and that the payment appropriations execution rate was high at 96,04 %;

#### ***Commitments and carry-overs***

4. Notes that the Foundation’s overall carry-forwards in Titles I and II decreased to 3,3 % compared to 6,4 % in 2014; notes that the carry-overs amounted to EUR 180 398 (1,4 %) for Title I (staff expenditure); notes furthermore that the carry-overs amounted

to EUR 316 442 (16,1 %) for Title II (administrative expenditure) representing a considerable decrease of 20,1 % compared to the previous year; notes that the carry-overs for Title III (operational expenditure) increased by 4 % to 36,4 %, mainly due to an increase in activities planned in the second half of 2015 and the effects of a transfer of funds to Title III in December 2015, which was effected in order to maximise the Foundation's support to operational activities;

5. Points out that the carry-overs are often partly or fully justified by the multiannual nature of the agencies' operational programmes, and do not necessarily indicate weaknesses in budget planning and implementation nor are they always at odds with the budgetary principle of annularity, in particular if they are planned in advance by the Foundation and communicated to the Court;

### ***Transfers***

6. Notes that the Foundation made nine budgetary transfers in 2015, one more than in 2014, in continued compliance with the recommendations received from the Court; acknowledges that the increased amount of payment appropriations transferred is linked to the budget restructuring undertaken in 2015, and was needed to pay for the previous year's activities, in which budget lines were discontinued; acknowledges, furthermore, that the level and nature of transfers in 2014 remained within the limits of the Foundation's financial rules;

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

7. Notes that the exercise of collecting the declarations of conflicts of interests of the Foundation's governing board members is not complete, although a majority of the members have submitted the requested documents; acknowledges that there is no mechanism which obliges the members to provide the documents; notes that the available declarations are published on the Foundation's website but that in some cases the system requests a password in order to access the CVs and declarations; takes note of the fact that the Foundation is actively pursuing the publication of the residual number of outstanding declarations, which will be published upon receipt, provided that consent for publication is given; welcomes the fact that all declarations of conflicts of interests of the Foundation's relevant staff have been collected;
8. Notes from the Foundation that an awareness-raising presentation on fraud and conflicts of interests for all staff was planned for the end of 2016; notes, moreover, that the selection assessment board members sign a declaration of conflicts of interests upon receipt of the list of applicants; acknowledges that all new staff attend a presentation on ethics and integrity including conflicts of interests and fraud;

### ***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 2015; notes that at the end of 2015 the Foundation had one open audit recommendation regarding "formal appointment of selection panels in procurement"; acknowledges that the IAS downgraded the recommendation from "very important" to "important" in September 2015, and that the recommendation will be formally closed through on-the-spot testing by the IAS during



its next visit to the Foundation;

10. Acknowledges that the Foundation commissioned three *ex post* audits through the Commission's inter-institutional framework contracts for audits; notes, furthermore, that the results of the audits were positive overall although the performance and system audit and the audit "on ETF practices in deploying its Performance Management Framework and its Improvement Plan" identified issues for improvement; acknowledges from the Foundation that it immediately put in place actions in order to mitigate the identified issues;

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11. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of [xx xxxx 2017]<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, P[8\_TA(-PROV)(2017)0000].