



**2017/2156(DEC)**

24.1.2018

## **DRAFT REPORT**

on discharge in respect of the implementation of the budget of the European  
Training Foundation for the financial year 2016  
(2017/2156(DEC))

Committee on Budgetary Control

Rapporteur: Bart Staes

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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 2016 (2017/2156(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Training Foundation for the financial year 2016,
- having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2016, 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of ... February 2018 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2016 (00000/2018 – C8-0000/2018),
- 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 (A8-0000/2018),

1. Grants the Director of the European Training Foundation discharge in respect of the

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<sup>1</sup> OJ C 417, 6.12.2017, p. 181.

<sup>2</sup> OJ C 417, 6.12.2017, p. 181.

<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.

implementation of the Foundation's budget for the financial year 2016 / Postpones its decision on granting the Director of the European Training Foundation discharge in respect of the implementation of the Foundation's budget for the financial year 2016;

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 2016 (2017/2156(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Training Foundation for the financial year 2016,
- having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2016, 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of ... February 2018 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2016 (00000/2018 – C8-0000/2018),
- 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 (A8-0000/2018),

1. Approves the closure of the accounts of the European Training Foundation for the

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<sup>1</sup> OJ C 417, 6.12.2017, p. 181.

<sup>2</sup> OJ C 417, 6.12.2017, p. 181.

<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.

financial year 2016 / Postpones the closure of the accounts of the European Training Foundation for the financial year 2016;

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 2016  
(2017/2156(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 2016,
  - 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 (A8-0000/2018),
- A. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of the performance based budgeting and good governance of human resources;
- B. whereas, according to its statement of revenue and expenditure<sup>1</sup>, the final budget of the European Training Foundation (the “Foundation”) for the financial year 2016 was EUR 20 900 849,11, representing a decrease of 0,63 % compared to 2015; whereas the budget of the Foundation derives mainly from the Union budget;
- C. whereas the Court of Auditors (the “Court”), in its report on the annual accounts of the European Training Foundation for the financial year 2016 (the "Court's report"), states 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 2013, 2014 and 2015 discharges***

1. Notes from the Court’s report that the note about the funds amounting to EUR 7 500 000 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 and 2015 reports, is now marked as "Completed";

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

2. Notes with appreciation that budget monitoring efforts during the financial year 2016 resulted in a high budget implementation rate of 99,99 %, indicating that commitments were made in a timely manner, and that the payment appropriations execution rate was at 97,66 %;

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

3. Notes that the overall carry-overs in Titles I and II decreased from 3,3 % in the period

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<sup>1</sup> O.J. C 12, 13.01.2017, p.1

2015 to 2016 to 3,1 % in the period 2016 to 2017, which is an indication of the improved alignment of the Foundations' administrative activities and their payments to its annual cycle; notes that in Title I, EUR 155 186 (1,2 %) was carried forward which represents an improvement compared to 2015 (EUR 180 398 (1,4 %)); notes that in Title II, EUR 313 450 (18,4 %) was carried forward which represents a continuation of the performance of 2015 (EUR 316 442 (16,1 %)), and in Title III, the RAL (*reste à liquider*) has decreased from 36,4 % in 2015 to 30,3 % in 2016, mainly due to an increased attention to the payments, a reduction of open mission claims and through better planning of activities;

4. 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 Agency and communicated to the Court;

### ***Transfers***

5. Notes that the Foundation performed seven budgetary transfers in 2016, compared to nine in 2015 and that the overall amount transferred was less than in previous year (6,1 % in 2016 compared to 8,2 % in 2015); acknowledges from the Foundation that this can be attributed to an efficiency measure that was introduced to maintain a reserve list of activities, arising from the planning exercises; notes with satisfaction that the level and nature of transfers in 2016 remained within the limits of the financial rules;

### ***Staff policy***

6. Observes from the Establishment plan that 89 posts were occupied on 31 December 2016, compared to 90 in 2015; regrets that by the number of posts occupied on 31 December 2016 gender balance has not been achieved, since the ratio is 67,94 % female to 32,06 % male;
7. Stresses that the work-life balance should be part of the staff policy of the Foundation; stresses that the budget spent per staff on well-being activities amounts to EUR 883 and two staff away days were organised in 2016; stresses that the average number of sick leave per staff is 15 days (11,5 days without medical part-time), which is one of the highest number among the Union agencies;
8. Welcomes the decision on preventing psychological and sexual harassment adopted in 2010; supports the training and information sessions organised to increase the awareness of the staff;
9. Notes with appreciation the fact that the Agency did not receive any complaints, law-suits or reported cases linked to hiring or firing of staff in 2016;

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

10. Acknowledges that the Foundation has been proactive in requesting declarations of conflict of interest of all its Governing Board (GB) members in line with Article 11 of



Council Regulation (EEC)<sup>1</sup>; calls on the Foundation to report to the discharge authority on the progress made in that field; notes with satisfaction that the CVs are now freely accessible;

11. Regrets that the transparency register is not applicable to the work of the Foundation;
12. Notes with satisfaction that the Foundation adopted its policy on whistleblowing in December 2015; stresses that there was one whistleblower case in 2016, which was not submitted to OLAF as all clarifications were received;
13. Notes that an e-learning and awareness-raising exercise on fraud and conflict of interests for all staff was carried out at the beginning of 2017;

### ***Performance-Based Budgeting (PBB)***

14. Welcomes the three main achievements identified by the Foundation in 2016, namely that it successfully:
  - met targets for achieving all Key Performance Indicators (KPIs) in 2016;
  - managed 105 requests for assistance from the Commission and Commission delegations, covering 52 % of partner countries; notes that the satisfaction with services provided by the Foundation was 100 % positive with regard to the Foundation quality of work, usefulness and timeliness of support;– supported policy analysis and development in 25 of its partner countries through the Torino process;
15. Regrets, however, that the Agency does not use the activity/output indicators to improve the use of the KPIs;

### ***Anti-fraud strategy***

16. Welcomes the fact that the Foundation has developed its anti-fraud strategy as provided for in the Commission's overall anti-fraud strategy; notes with satisfaction the development of an e-training module to maintain awareness on anti-fraud prevention for all staff, which will be provided and regularly repeated from 2017;

### ***Internal control***

17. Notes that in 2016, the Foundation took key measures to improve the efficiency of its internal control systems (ICS) in the area of leadership (ICS 1 Mission and Values; ICS 2 Ethical and Organisational Values; ICS 7 Operational Structure), people management (ICS 3 Staff Allocation and Mobility; ICS 4 Staff Evaluation and Development), strategy, planning and stakeholder cooperation (ICS 5 Objectives and Performance indicators and ICS 6), risk management and processes (ICS11 Document Management and ICS 12 Information and Communication);

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<sup>1</sup> Council Regulation (EEC) No 1360/90 of 7 May 1990 establishing a European Training Foundation. (OJ L 131 , 23.5.1990, p. 1).

### *Internal audit*

18. Notes that the Foundation is audited by the Commission's Internal audit service (IAS) and that it has not received any critical recommendations from controlling body in 2016;

### *Performance*

19. Notes from the Court's report that an external evaluation of the Foundation was carried out on behalf of the Commission in 2016 as the first step in a cross cutting evaluation of the four agencies working in the area of employment, social affairs and inclusion; notes, moreover, that the evaluation concluded that the considerable re-organisation of the Foundation since 2011 had no significant negative effects and has been viewed mainly positively by internal and external stakeholders, especially in terms of strategy and effectiveness; notes with appreciation that the governance of the Foundation was viewed as efficient and effective; notes that the evaluation also highlights that the Foundation has continued to enhance its monitoring capacity since 2011 but that there is still scope to present a clearer picture of its activities and achievements; observes that the Foundation prepared a plan to implement the evaluators' recommendations;
20. Notes from the Court's report that in its 2011 report the Court already highlighted the unsatisfactory situation regarding the Foundation's premises and the fact that this risked disrupting the Foundation's activities; regrets that the situation remains at a standstill since the Consortium that managed and occupied part of the complex went into liquidation in 2011 and left part of the complex empty; stresses that there is an urgent need for the host country to find a solution to this matter; reminds that, under the host agreement, appropriate facilities are guaranteed until 2027; calls on the Foundation to report to the discharge authority on any measures taken regarding this matter;  

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21. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of ...2018<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, P8\_TA-PROV(2018)0000.