

2005 discharge: European Centre for the Development of Vocational Training

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Having examined the revenue and expenditure account for the financial year 2005, the balance sheet of revenue and expenditure at 31 December 2005 of the European Centre for the Development of Vocational Training, the Council recommends the European Parliament to give a discharge to the Director of the Centre in respect of the implementation of the budget for the financial year 2005.

In doing so, the Council confirms that EUR 1.1 million (88%) of the EUR 1.3 million in appropriations carried forward from the financial year 2004 to the financial year 2005 have been used. In addition, EUR 1.0 million in appropriations have been carried forward from the financial year 2005 to the financial year 2006 and EUR 1.9 million have been cancelled.

In parallel, the Council makes accompanying comments on the discharge which should be followed up. In particular, it:

- notes that the Court has been able to issue a **statement of reasonable assurance** on the reliability of the Centre's annual accounts for the financial year ended 31 December 2005. However, it regrets that in respect of the reasonable assurance as to the legality and regularity of the underlying transactions, taken as a whole, the Court has excluded the transactions concerning the organisation and award procedures of contracts;
- notes the efforts undertaken by the Centre to improve its **management**, the Council would like to draw attention to the issues mentioned below;
- regrets that the Centre did not fully respect the competition rules and failed to justify or document the chosen procedures. The Council stresses the fact that this is detrimental to sound management and budgetary discipline. However, the Council takes note of the measures taken by the Centre during the last quarter of 2005 to remedy the shortcomings identified by the Court and it calls strongly on the Centre to continue its efforts to ensure that the contracts award procedures are strictly applied;
- highlights that concerning **budgetary management**, it regrets the under-implementation of the appropriations for operating activities and invites the Centre to improve the programming of its work and to ensure a rigorous monitoring of it, in particular by adopting an activity based-management system as soon as possible;
- underlines the importance of applying the principle of separation of the duties of authorising officer and accounting officer and takes notes of the steps taken by the Centre to correct the weaknesses pointed out by the Court. It calls on the Centre to follow the Court's remarks concerning the need to carry out a risk analysis, to define the nature and frequency of ex post checks and to provide a description of the management procedures and internal control systems;
- it notes with concern that, once again, the Centre did not fully respect the **recruitment procedure**, at the expense of transparency and the quality of the selection. In this respect, the Council recalls the recommendations made in the previous year and expects the Centre to take all the necessary steps to tighten up its recruitment procedures without any further delay;
- expresses its concern regarding the shortcomings of the **accounting software** and calls on the Centre to replace it as soon as possible with the new system proposed by the Commission, with the full support and help of the latter.