

Procedure file

Basic information		
DEC - Discharge procedure	1997/2079(DEC)	Procedure completed
1996 discharge: European Centre for the Development of Vocational Training ECDVT budget (Thessaloniki)		
Subject 8.70.03.07 Previous discharges		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	CONT Budgetary Control		

Key events			
26/11/1997	Non-legislative basic document published	N4-0051/1998	Summary
19/02/1998	Committee referral announced in Parliament		
17/03/1998	Committee report tabled for plenary	A4-0092/1998	
31/03/1998	Debate in Parliament		
31/03/1998	Decision by Parliament	T4-0187/1998	Summary
31/03/1998	End of procedure in Parliament		
16/05/1998	Final act published in Official Journal		

Technical information	
Procedure reference	1997/2079(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102; Rules of Procedure EP 050
Stage reached in procedure	Procedure completed

Documentation gateway					
Non-legislative basic document		N4-0051/1998	26/11/1997	CofA	Summary
Supplementary non-legislative basic document		N4-0164/1998	09/03/1998	CSL	Summary
Committee report tabled for plenary, single		A4-0092/1998	17/03/1998	EP	

reading		OJ C 138 04.05.1998, p. 0004			
Text adopted by Parliament, single reading		T4-0187/1998 OJ C 138 04.05.1998, p. 0019-0060	31/03/1998	EP	Summary

Final act

[Decision 1998/332](#)
[OJ L 146 16.05.1998, p. 0032](#)

1996 discharge: European Centre for the Development of Vocational Training ECDVT budget (Thessaloniki)

OBJECTIVE: to establish the financial statements for the European Centre for the Development of Vocational Training (CEDEFOP - Salonika) for the 1996 financial year. **CONTENT:** the Court starts its report by noting that CEDEFOP is a satellite body of the European Community with the task of promoting vocational training at Community level. CEDEFOP commenced operations in Berlin in 1976 and moved to Salonika in 1995. At management level, the Court of Auditors' report states that appropriations for the financial year 1996 amounted to ECU 14.8 million. Commitments entered into gave rise to ECU 11.4 million in payments and ECU 2.1 million in carry-overs to the financial year 1997, the balance of ECU 1.3 million having been cancelled. At the same time, the Court makes a number of comments on the implementation of the Centre's budget, emphasizing that the Centre had put in place adequate procedures for the separation of duties of authorizing officer, accounting officer and imprest holder, as demanded in the Court's previous report on CEDEFOP (cf. DEC0062). As far as the imprest account was concerned, the Court found that nearly 74% of payments continued to be made prior to approval by the Financial Controller, whereas the Court had specified last year that use of the imprest account was to be limited to ongoing or small expenses. It also deplored the fact that certain appropriations had been transferred between budget lines, although they had dropped in number compared with the previous year (ECU 891,600 in 1996 compared with ECU 922,000 in 1995). As far as the running management of CEDEFOP was concerned, the Court noted that 17 contracts awarded by the centre and five fixed-asset purchase contracts were made without following the tendering procedure but with the Financial Controller's consent. The Court also noted the problem, raised last year, of cash balances. The Court disapproved of this type of management and recommended that the Centre should make quarterly drawings from the Commission on the basis of actual cash needs. Finally, the Court referred to the fund management problems in relation to the Centre's new premises. The main problems related to the type of contract awarded for the construction of the Centre's new buildings in Greece (delays in relation to the initial construction schedule, payment of large advances to the Greek government before work was carried out), to which the Court was unable to obtain replies. There was also continuing legal uncertainty on the question of who should bear the costs of renovating the Centre's premises (Greece or the Communities).?

1996 discharge: European Centre for the Development of Vocational Training ECDVT budget (Thessaloniki)

In its recommendation on the discharge to be granted to CEDEFOP for the implementation of the budget for the 1996 financial year the Council made a number of comments relating to the points highlighted by the Court of Auditors in its report on the implementation of the 1996 budget by CEDEFOP. The Council pointed out in particular that the Centre had continued to manage excessively high cash balances, that carry-overs, although in decline, had remained frequent and that recourse to imprest accounts had been limited only from 1997. It pointed out that many contracts had been awarded without an invitation to tender whilst payments had received the approval of the financial controller. It also noted, with the Court of Auditors, that the Centre was unable to determine who would bear the cost for the renovation of the temporary premises and that the construction of permanent premises had been delayed. The Centre responded to its various points by stating that: 1) it was now presenting its liquidity forecasts to the Commission in the course of the quarterly withdrawals so as to avoid managing excessively large balances, 2) the failure to comply with the obligation to launch an invitation to tender was justified by the concern to ensure continuity of work, 3) the new building would be completed for 9 May 1999 (to this end, the Centre was holding the funds necessary for the final payment, emanating from the budget); as far as the renovation of the temporary premises was concerned, it would attempt to obtain compensation when the current lease expired. In the light of the observations made by the Centre and the Court, the Council called on the Commission to make the payment of the Community grant proportionate with the liquidity needs of the Centre. It also called on the Centre to continue its efforts to avoid paying for the renovation of the temporary premises. Lastly, and in the light of its comments, the Council recommended that the European Parliament grant a discharge to the Management Board of the Centre for the implementation of the 1996 budget.?

1996 discharge: European Centre for the Development of Vocational Training ECDVT budget (Thessaloniki)

In adopting the report by Mr Edward KELLETT-BOWMAN (EPP, UK) on the discharge to be given to CEDEFOP for the 1996 financial year, Parliament asked the Commission's Financial Controller to re-examine the contracting practices of the Centre in the light of the Court of Auditors' comments in order to clarify when it was necessary for it to launch formal specific calls for tender. CEDEFOP should obtain compensation from the owner of its temporary premises for improvements carried out at the Centre's expense. Stressing once again the lack of transparency and guarantees of value for money with regard to the purchase of CEDEFOP's new premises, Parliament asked the Court to clarify this matter fully in its next annual report (1997 discharge). It then gave discharge to the Management Board of CEDEFOP for the implementation of the budget for the 1996 financial year. ?

