



Procedure file

Basic information		
DEC - Discharge procedure	2005/2116(DEC)	Procedure completed
2004 discharge: European Training Foundation		
Subject 8.70.03.07 Previous discharges		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	CONT Budgetary Control		
	Committee for opinion	Rapporteur for opinion	Appointed
	EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	Economic and Financial Affairs ECOFIN	2716	14/03/2006
European Commission	Commission DG	Commissioner	
	Budget		

Key events			
28/02/2005	Non-legislative basic document published	N6-0011/2005	Summary
19/01/2006	Committee referral announced in Parliament		
21/03/2006	Vote in committee		Summary
27/03/2006	Committee report tabled for plenary	A6-0102/2006	
26/04/2006	Debate in Parliament		
27/04/2006	Results of vote in Parliament		
27/04/2006	Decision by Parliament	T6-0177/2006	Summary
27/04/2006	End of procedure in Parliament		
06/12/2006	Final act published in Official Journal		

Technical information	
Procedure reference	2005/2116(DEC)
Procedure type	DEC - Discharge procedure

Legal basis	Rules of Procedure EP 100
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/28452

Documentation gateway

Non-legislative basic document		N6-0011/2005 OJ C 269 28.10.2005, p. 0036	01/03/2005	OS	Summary
Court of Auditors: opinion, report		N6-0011/2006 OJ C 332 28.12.2005, p. 0075-0081	05/10/2005	CofA	Summary
Committee draft report		PE367.990	03/02/2006	EP	
Supplementary non-legislative basic document		05972/2006	06/02/2006	CSL	Summary
Amendments tabled in committee		PE370.238	28/02/2006	EP	
Committee report tabled for plenary, single reading		A6-0102/2006	27/03/2006	EP	
Text adopted by Parliament, single reading		T6-0177/2006	27/04/2006	EP	Summary
Commission response to text adopted in plenary		SP(2006)2095	11/05/2006	EC	

Final act

[Budget 2006/840](#)
[OJ L 340 06.12.2006, p. 0117-0118](#) Summary

2004 discharge: European Training Foundation

PURPOSE : presentation of the final accounts of the European Training Foundation for the financial year 2004.

CONTENT : this document published in the Official Journal of the EU sets out a detailed account of the implementation of the 2004 budget, including the revenue and expenditure and the balance sheet for the year concerned.

According to this document, the final budget amounted to EUR 18,4 million (against 17,2 million in 2003) fully financed by the Commission.

As regards the staffing policy, the Foundation, whose headquarters are based in Turin (Italy) officially set out 104 in the establishment plans. 99 posts are currently occupied with + 31 other posts (auxiliaries, national experts, employment agency staff) totalling 130 posts assigned to the operational, administrative and mixed tasks.

Staff expenditure amounted to EUR 11 122 000.

The Foundation's purpose is to support the reform of vocational training in the European Union's partner countries. As such, it assists the Commission in the implementation of various programmes (Phare, Tacis, Cards and Meda).

The European Training Foundation covers a wide range of areas including:

- initial vocational training, lifelong learning, continuing (adult) education, human resource development in companies, employment policies, training of unemployed people, poverty alleviation

and social inclusion and training to encourage local development. There were 169 applications in 2004 (against 143 in 2003) most of which were from the Delegations (35 %), followed by AIDCO (21 %), DG EAC (16 %), DG ELARG (9 %) and DG RELEX (7 %). The most frequent applications were those in the field of programming (42 applications), followed by advice on policies and contributions in the preparation of European Neighbourhood Instruments (28), identification of projects (19) and follow-up (18).

Network of observatories in eligible countries: country sector studies, statistics on education, policy advice to countries.

Development projects: As a centre of expertise, the ETF contributes to the setting-up of development projects in order to test innovative approaches allowing partner countries to carry out reforms of their education and vocational training systems.

Technical assistance Conventions with Cards, Meda and Tacis for the Tempus programme.

This assistance covers the whole cycle of the project. It includes the selection, management

and follow-up of contracts and information and communication, including general administrative

support. IT tools such as online applications and report forms have greatly facilitated the administrative management of the various project

cycles.

Operation expenditure represented roughly EUR 4,6 million in commitments. On the other hand, the balance for the financial year amounted to EUR ? 759 000 due to negative balance from the previous year).

The complete version of the final accounts may be found at the following address:

<http://www.etf.eu.int/WebSite.nsf/Pages/Public+access+to+documents?OpenDocument>

2004 discharge: European Training Foundation

This report from the Court of Auditors concerns the results of the audit carried out by the Court on the annual accounts of the European Training Foundation for the financial year ended 31 December 2004. The Court states that its audit was planned and performed to obtain reasonable assurance that the accounts are reliable and the underlying transactions are legal and regular. The Foundation's accounts for the financial year ended 31 December 2004 are, in all material respects, reliable. The transactions underlying the Foundation's annual accounts, taken as a whole, are legal and regular.

The report shows that the appropriations entered in the final budget amount to EUR 18 400 000 with EUR 18 122 000 committed and EUR 16 044 000 paid. EUR 2 078 000 was carried over to 2005, and EUR 278 000 cancelled. The outstanding commitments carried over from the previous financial year were EUR 2 012 000.

The Court makes the following observations:

- the Tempus programmes, which are managed by the Foundation under a Commission mandate, are not shown in the Foundation's budget. This situation does not comply with the principles of unity and budget accuracy, as the Court has pointed out before on several occasions;
- the Foundation sets out the financial information concerning these programmes in an annex to its annual accounts. Managing these programmes is, however, an integral part of the Foundation's work and takes up a significant part of its human and material resources. The Foundation's accounts, which are supposed, amongst other things, to faithfully reflect its revenue and expenditure, cannot simply exclude the expenditure incurred within the framework of these programmes;
- the Foundation's budget published in the Official Journal specifies the revenue and expenditure by title and chapter only, without further subdividing them into articles and items as required by the budgetary principle of specification. Moreover, it does not contain an establishment plan;
- the revenue and expenditure account for the financial year 2003 shows a loss of EUR 1.3 million euro. This balance should have been entered in an amending budget for the financial year 2004.

The Foundation responds point by point to the Court's observations:

- the implementation from 2005 onward by the Foundation of the modernised EU accounting practices solves the difficulty reported by the Court. Ever since the Court highlighted its concerns, the Foundation has analysed the alternatives to integrate TEMPUS funds into its budget. Due to the characteristics of the mandate given to the Foundation and the applicable financial rules, no satisfactory solution could be found to integrate them in the Foundation's budget. In consequence, the Foundation's 2004 accounts were presented the way used the preceding years. Nevertheless, the Foundation managed these funds with the same rigour as its own budget, and their use has been reported in an annex to the Foundation accounts as well as in the Commission's accounts.
- the costs of publishing the details of the budget in the OJ were felt to be disproportionate for an agency with an annual budget of less than EUR 20 million. The Foundation took care to give to the readers all the necessary indications to obtain a fully detailed electronic version of its budget;
- the Foundation has taken measures to avoid such a situation in the future.

2004 discharge: European Training Foundation

The committee adopted the report by Umberto GUIDONI (GUE/NGL, IT) recommending that Parliament should grant discharge for the implementation of the budget of the European Training Foundation for 2004.

In their accompanying comments, MEPs referred to the "express reservations" in respect of the 2004 financial year noted by the Court of Auditors concerning the Foundation, due to the improper presentation in the accounts of expenditure related to the Tempus programme. They insisted that the Foundation's accounts should "respect the principles of unity and budget accuracy". MEPs also made a number of general comments applicable to all the Community agencies:

- EU enlargement in 2004 had affected the structures and operating arrangements of the agencies in many ways, and the Commission should assess the real or supposed problems encountered and recommend the regulatory changes required;
- the agencies should spend the money available to them as efficiently and effectively as possible;
- the agencies should avoid duplication as far as possible and clarify measures for improving transparency and communication with the public, to overcome their often negative image which many of them did not deserve;
- the Commission should help harmonise the activity reports of the agencies - which differed significantly in terms of content - by informing them of the common indicators that they must provide;
- there was a need for improved cooperation between the agencies, particularly in such common areas as training, the use of the latest management systems and solving problems relating to sound management of the budget.

2004 discharge: European Training Foundation

PURPOSE: to grant discharge to the European Training Foundation for the financial year 2004.

LEGISLATIVE ACTS: Decisions 2006/840/EC and 2006/841/EC of the European Parliament on the discharge for the implementation of the budget of the European Training Foundation for the financial year 2004 and closure of accounts for the year in question.

CONTENT: with the present decisions, the European Parliament grants discharge to the Director of the European Training Foundation for the implementation of the Foundation's budget for the financial year 2004 and approves the closure of the accounts.

This decision is in line with the European Parliament's resolution adopted on 27 April 2006 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 27/04/2006).

2004 discharge: European Training Foundation

The European Parliament adopted a resolution drafted by Umberto GUIDONI (GUE/NGL, IT) and granted discharge to the Director of the European Training Foundation for the implementation of the Foundation's budget for the financial year 2004. In its accompanying comments, Parliament stated that it was disappointed to note that the Foundation had still not solved the problem concerning the correct presentation in its accounts of expenditure related to the Tempus programme. This problem had persisted despite repeated criticisms from the Court of Auditors in annual reports since 1999. The Court of Auditors had now entered a reservation concerning the Foundation's accounts as a consequence. Parliament insisted that the accounts of the Foundation respect the principles of unity and budget accuracy.

Parliament also made a series of general remarks on the agencies. As well as spending money properly, agencies should also strive to spend money as efficiently and effectively as possible. The Court of Auditors was asked to consider the possibility of extending its specific annual reports on the agencies to include an examination of performance and achievement of objectives. The following aspects should be taken into account: duplication of work among the agencies must be avoided as much as possible and measures designed to improve transparency and communication with the public must be clarified, along with Community affirmative action measures at all levels of recruitment, training and the assignment of responsibilities.

Parliament noted that Community agencies did not always have a good image or good press and that many of them did not deserve such a negative image. EU citizens should be made aware of this, and Parliament called on the Commission to act accordingly, using whatever means it considers necessary.

Furthermore, the enlargement of the European Union in 2004 had affected the structures and operating arrangements of the Community agencies in many ways, and several of the agencies draw attention to these effects in their activity reports, focusing in particular on the increase in the number of administrators. The Commission needed to assess the problems encountered and recommend the regulatory changes required.

The Commission had made a commitment to harmonising the way in which activity reports concerning its directorates-general were presented. Parliament called for a similar approach to be taken in respect of the activity reports of the Communities' agencies, which differed significantly in terms of content. The Commission should point out to the agencies the information and activity indicators that they must provide.

Finally, Parliament asked the Commission to improve synergies between agencies by making cooperation more effective, avoiding duplication of work and addressing shortcomings, in particular as regards common areas such as training, the implementation of Community policies across the board, the use of the latest management systems and solving problems relating to sound management of the budget.