

Procedure file

Basic information		
DEC - Discharge procedure	2016/2161(DEC)	Procedure completed
2015 discharge: European Centre for the Development of Vocational Training (Cedefop)		
Subject 8.70.03.05 2015 discharge		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	CONT Budgetary Control	 AYALA SENDER Inés	05/08/2016
		Shadow rapporteur	
		 ZDECHOVSKÝ Tomáš	
		 FITTO Raffaele	
		 ALI Nedzhmi	
		 JÁVOR Benedek	
		 VALLI Marco	
		 KAPPEL Barbara	
	Committee for opinion	Rapporteur for opinion	Appointed
	EMPL Employment and Social Affairs		09/09/2016
		 HARKIN Marian	
	ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
European Commission	Commission DG Budget	Commissioner GEORGIEVA Kristalina	

Key events			
11/07/2016	Non-legislative basic document published	COM(2016)0475	Summary
04/10/2016	Committee referral announced in		

	Parliament		
22/03/2017	Vote in committee		
31/03/2017	Committee report tabled for plenary	A8-0145/2017	Summary
26/04/2017	Debate in Parliament		
27/04/2017	Results of vote in Parliament		
27/04/2017	Decision by Parliament	T8-0159/2017	Summary
27/04/2017	End of procedure in Parliament		
29/09/2017	Final act published in Official Journal		

Technical information

Procedure reference	2016/2161(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/07432

Documentation gateway

Non-legislative basic document		COM(2016)0475	11/07/2016	EC	Summary
Court of Auditors: opinion, report		N8-0109/2016 OJ C 449 01.12.2016, p. 0032	13/09/2016	CofA	Summary
Committee opinion	EMPL	PE592.089	01/02/2017	EP	
Committee draft report		PE593.878	03/02/2017	EP	
Supplementary non-legislative basic document		05873/2017	07/02/2017	CSL	Summary
Amendments tabled in committee		PE599.868	06/03/2017	EP	
Committee report tabled for plenary, single reading		A8-0145/2017	31/03/2017	EP	Summary
Text adopted by Parliament, single reading		T8-0159/2017	27/04/2017	EP	Summary

Final act

Budget 2017/1642
[OJ L 252 29.09.2017, p. 0176](#) Summary

2015 discharge: European Centre for the Development of Vocational Training (Cedefop)

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2015, as part of the 2015 discharge procedure.

Analysis of the accounts of the European Centre for the Development of Vocational Training (Cedefop).

CONTENT: the organisational governance of the EU consists of institutions, agencies and other EU bodies whose expenditure is included in the general budget of the Union.

The EU's operational expenditure of these institutions takes different forms, depending on how the money is paid out and managed.

From 2014 onwards, the Commission classifies its expenditure as follows:

- Direct management: the budget is implemented directly by the Commission services.
- Indirect management: the Commission confers tasks of implementation of the budget to bodies of EU law or national law, such as the EU agencies.
- Shared management: under this method of budget implementation tasks are delegated to Member States. About 80 % of the expenditure falls under this management mode covering such areas as agricultural spending and structural actions.

This Commission document concerns the EU's consolidated accounts for the year 2015 and details how spending by the EU institutions and bodies was carried out. The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective.

It is the responsibility of the Commission's Accounting Officer to prepare the EU's consolidated annual accounts and ensure that they present fairly, in all material aspects, the financial position, the result of the operations and the cashflows of the EU institutions and bodies, including the European Centre for the Development of Vocational Training (CEDEFOP), with a view to granting discharge.

Discharge procedure: the final step of a budget lifecycle is the discharge of the budget for a given financial year. It represents the political aspect of the external control of budget implementation and is the decision by which the European Parliament, acting on a Council recommendation, "releases" the Commission (and other EU bodies) from its responsibility for management of a given budget by marking the end of that budget's existence. The European Parliament is the discharge authority within the EU.

The discharge procedure may produce three outcomes: (i) the granting; (ii) postponement or; (iii) the refusal of the discharge.

The final discharge report including specific recommendations to the Commission for action is adopted in plenary by the European Parliament and are subject to an annual follow up report in which the Commission outlines the concrete actions it has taken to implement the recommendations made.

Each agency is subject to its own discharge procedure, including Cedefop.

Cedefop: the Centre, which is located in Thessaloniki (EL) and established by [Council Regulation \(EEC\) No 337/75](#) has the task of compiling and disseminating documentation on vocational training systems and on matters relating to the development of vocational training.

As regards the Centres accounts, these are presented in detail in the document on the consolidated annual accounts of the European Union for 2015:

Commitment appropriations:

- committed: EUR 19 million;
- paid: EUR 19 million;
- carried-over: 0.

Payment appropriations:

- committed: EUR 20 million;
- paid: EUR 17 million;
- carried-over: EUR 2 million.

For further details on expenditure, please refer to the [final accounts of the CEDEFOP](#).

2015 discharge: European Centre for the Development of Vocational Training (Cedefop)

PURPOSE: presentation of the EU Court of Auditors report on the annual accounts of the European Centre for the Development of Vocational Training (CEDEFOP) for the financial year 2015, together with the Centres reply.

CONTENT: in accordance with the tasks conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, the Court presents to the European Parliament and to the Council, in the context of the discharge procedure, a Statement of Assurance as to the reliability of the annual accounts of each institution, body or agency of the EU, and the legality and regularity of the transactions underlying them, on the basis of an independent external audit.

This audit concerned, amongst others, the annual accounts of the European Centre for the Development of Vocational Training (CEDEFOP). In brief, the Centres main task is to compile and disseminate documentation on vocational training systems.

Statement of assurance: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the Centre, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2015;
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: the Court considered that the Centres annual accounts present fairly, in all material respects, its financial position as at 31 December 2015 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commissions accounting officer.

Opinion on the legality and regularity of the transactions underlying the accounts: the Court considered that the transactions underlying the annual accounts for the year ended 31 December 2015 are legal and regular in all material respects.

The report also makes a series of observations on the budgetary and financial management of the Agency, accompanied by the latters response. The main observations may be summarised as follows:

The Courts observations:

- budgetary management: the Court noted that the level of committed appropriations carried over was high for administrative expenditure due to the high volume of network and other IT equipment required for the refurbishment of the repaired areas of the Centres building.

The Centres replies:

- budgetary management: Cedefop replied that it continues to use its funds effectively and efficiently with an overall budget implementation rate of 98.5 %. Of the EUR 425 877 brought forward to 2015, only EUR 17 068 was eventually cancelled (or 4 %).

Lastly, the report contains a summary of the Centres key figures in 2015:

- Budget: EUR 18.4 million (in payment appropriations).
- Staff: 123 including officials, temporary and contract staff and seconded national experts.

2015 discharge: European Centre for the Development of Vocational Training (Cedefop)

Having examined the revenue and expenditure accounts for the financial year 2015 and the balance sheet as at 31 December 2015 of the European Centre for the Development of Vocational Training (Cedefop), as well as the Court of Auditors' report on the annual accounts of the Centre for the financial year 2015, accompanied by the Centre's replies to the Court's observations, the Council recommended 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 2015.

The Council welcomed the Court's opinion that, in all material respects, the Centre's annual accounts present fairly its financial position as at 31 December 2015 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of the Centre's Financial Regulation, and that the underlying transactions for 2015 are legal and regular in all material respects.

Nevertheless, a few observations were made:

- financial programming: the Council noted that a high level of commitment appropriations was carried over to 2016. It encouraged the Centre to continue improving its financial programming and monitoring of the budget implementation, in order to reduce the level of commitments carried over to the following financial year to the minimum strictly necessary;
- buildings: the Council noted the safety issues related to the construction of the Centre's building. It encouraged the Centre to complete the necessary repair work without delay in order to re-establish the full availability of the Centre's facilities.

2015 discharge: European Centre for the Development of Vocational Training (Cedefop)

The Committee on Budgetary Control adopted the report by Inés AYALA SENDER (S&D, ES) on discharge in respect of the implementation of the budget of the European Centre for the Development of Vocational Training (CEDEFOP) for the financial year 2015.

The committee called on the European Parliament to grant the Director of the Centre discharge in respect of the implementation of the agencies budget for the financial year 2015.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Centre for the financial year 2015 were reliable and that the underlying transactions were legal and regular, Members called on Parliament to approve the closure of the Centres accounts. They made, however, a number of recommendations that needed to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the [draft resolution on performance, financial management and control of EU agencies](#):

- Centres financial statements: Members noted that the Centres final budget for the financial year 2015 was EUR 18 356 560, representing an increase of 6.27 % compared to 2014. Its entire budget derives from the Union budget.
- Performance: Members noted that the Centre cooperates closely with the European Training Foundation (ETF) and the European Foundation for the Improvement of Living and Working Conditions (Eurofound) and that that cooperation is formalised in cooperation agreements between those agencies as well as in previously agreed annual work programmes. They acknowledged the fact that the Centre actively contributed to a number of Union agencies performance development network activities, such as the working group on activity-based budgeting, costing and management, cooperating with other Union agencies to collect good practices and developing a toolkit for activity-based management in the Union agencies.

Members also made a series of observations regarding budget and financial management, commitment and carry-overs, transfers, internal controls and audits, the prevention and management of conflicts of interests, procurement and recruitment procedures.

Members noted that the building provided to the Centre by the Greek authorities is constructed on an active fault line, which resulted in structural damage to the building. They acknowledged the fact that the repair works on the building were finalised in December 2015. They noted that the Centre is addressing various safety issues related to the construction of the building. They noted with satisfaction that the recent crack meter readings conducted in April 2016 demonstrated the repair works as effective.

Members called on the Centre to assess whether the recurring problems with the current building call into question not only its economic viability, but more importantly the safety and security of its personnel and whether relocation to a new building would be a more preferable solution.

2015 discharge: European Centre for the Development of Vocational Training (Cedefop)

PURPOSE: to grant discharge to the European Centre for the Development of Vocational Training (CEDEFOP) for the financial year 2015.

NON-LEGISLATIVE ACT: Decision (EU) 2017/1642 of the European Parliament on discharge in respect of the implementation of the budget of the European Centre for the Development of Vocational Training for the financial year 2015.

CONTENT: with the present decision, the European Parliament grants discharge to the Director of the European Centre for the Development of Vocational Training for the implementation of the latter's budget for the financial year 2015.

This decision is in line with the European Parliament's resolution adopted on 27 April 2017 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 April 2017).

Amongst Parliament's main observations in the resolution accompanying the discharge decision, the latter welcomed that the repairs works to the Centre's building were finalised in December 2015.

Parliament appreciated the good quality of the Centre's research, analyses and technical advice through which it supports the development of European lifelong learning and vocational education and training (VET) policies and contributes to their implementation in order to enable workers to acquire good skills and to contribute to achieving the goals set in the Europe 2020 strategy.

2015 discharge: European Centre for the Development of Vocational Training (Cedefop)

The European Parliament decided to grant discharge to the Director of the European Centre for the Development of Vocational Training (CEDEFOP) in respect of the implementation of the agency's budget for the financial year 2015.

The vote on the decision on discharge covers the closure of the accounts (in accordance with Annex IV, Article 5 (1) (a) to Parliament's Rules of Procedure).

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the Centre's annual accounts for the financial year 2015 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 510 votes to 110 with 8 abstentions, a resolution containing a series of recommendations, which form an integral part of the decision on discharge and which add to the general recommendations set out in the [resolution on performance, financial management and control of EU agencies](#).

These recommendations may be summarised as follows:

- Centres financial statements: Parliament noted that the Centre's final budget for the financial year 2015 was EUR 18 356 560, representing an increase of 6.27 % compared to 2014. Its entire budget derives from the Union budget.
- Performance: Parliament also noted that the Centre cooperates closely with the European Training Foundation (ETF) and the European Foundation for the Improvement of Living and Working Conditions (Eurofound) and that that cooperation is formalised in cooperation agreements between those agencies as well as in previously agreed annual work programmes. It acknowledged the fact that the Centre actively contributed to a number of Union agencies performance development network activities, such as the working group on activity-based budgeting, costing and management, cooperating with other Union agencies to collect good practices and developing a toolkit for activity-based management in the Union agencies.

Parliament made a series of observations regarding budget and financial management, commitment and carry-overs, transfers, internal controls and audits, the prevention and management of conflicts of interests, procurement and recruitment procedures.

Centres building: Parliament noted that the building provided to the Centre by the Greek authorities is constructed on an active fault line, which resulted in structural damage to the building. It acknowledged the fact that the repair works on the building were finalised in December 2015. It noted that the Centre is addressing various safety issues related to the construction of the building. It also noted with satisfaction that the recent crack meter readings conducted in April 2016 demonstrated the repair works as effective.

Members called on the Centre to assess whether the recurring problems with the current building call into question not only its economic viability, but more importantly the safety and security of its personnel and whether relocation to a new building would be a more preferable solution.

Centres priority actions: lastly, Parliament welcomed the Centre's focus on competences and skills which among other objectives helps to better match vocational training to labour market demands and particularly welcomed the first European skills and jobs survey as well as the launch of the new skills panorama.