

Procedure file

| Basic information | | |
|--|----------------|---------------------|
| DEC - Discharge procedure | 2016/2171(DEC) | Procedure completed |
| 2015 discharge: European Training Foundation (ETF) | | |
| Subject 8.70.03.05 2015 discharge | | |

| Key players | | | |
|---------------------|---|---|------------|
| European Parliament | Committee responsible | Rapporteur | Appointed |
| | CONT Budgetary Control |  AYALA SENDER Inés Shadow rapporteur  ZDECHOVSKÝ Tomáš  FITTO Raffaele  ALI Nedzhmi  JÁVOR Benedek  VALLI Marco  KAPPEL Barbara | 05/08/2016 |
| European Commission | Committee for opinion | Rapporteur for opinion | Appointed |
| | EMPL Employment and Social Affairs |  HARKIN Marian | 09/09/2016 |
| | 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 | | |
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| 30/03/2017 | Committee report tabled for plenary | A8-0118/2017 | Summary |
| 26/04/2017 | Debate in Parliament |  | |
| 27/04/2017 | Results of vote in Parliament |  | |
| 27/04/2017 | Decision by Parliament | T8-0178/2017 | Summary |
| 27/04/2017 | End of procedure in Parliament | | |
| 29/09/2017 | Final act published in Official Journal | | |

Technical information

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|----------------------------|---------------------------|
| Procedure reference | 2016/2171(DEC) |
| Procedure type | DEC - Discharge procedure |
| Stage reached in procedure | Procedure completed |
| Committee dossier | CONT/8/07471 |

Documentation gateway

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|---|-------------|--|------------|------|---------|
| Non-legislative basic document | | COM(2016)0475 | 11/07/2016 | EC | Summary |
| Court of Auditors: opinion, report | | N8-0130/2016 OJ C 449 01.12.2016, p. 0168 | 13/09/2016 | CofA | Summary |
| Committee opinion | EMPL | PE592.094 | 31/01/2017 | EP | |
| Committee draft report | | PE593.874 | 03/02/2017 | EP | |
| Supplementary non-legislative basic document | | 05873/2017 | 07/02/2017 | CSL | Summary |
| Amendments tabled in committee | | PE600.888 | 07/03/2017 | EP | |
| Committee report tabled for plenary, single reading | | A8-0118/2017 | 30/03/2017 | EP | Summary |
| Text adopted by Parliament, single reading | | T8-0178/2017 | 27/04/2017 | EP | Summary |

Final act

Budget 2017/1699
[OJ L 252 29.09.2017, p. 0284](#) Summary

2015 discharge: European Training Foundation (ETF)

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 Training Foundation (ETF).

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 Training Foundation (ETF), 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 the European Training Foundation (ETF).

European Training Foundation: the Foundation, which is located in Turin (IT), was created by [Council Regulation \(EEC\) No 1360/90](#). Its objective is to contribute to improving human capital development in the following countries: the countries eligible for support under Council Regulation (EC) No 1085/2006 and Regulation No 1638/2006 of the European Parliament and of the Council and subsequent related legal acts. It aims in particular to provide advice on human capital development issues in the partner countries and promote knowledge and analysis of skills needs in national and local labour markets.

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

Commitment appropriations:

- committed: EUR 21 million;
- paid: EUR 21 million;
- carried-over: 0.

Payment appropriations:

- committed: EUR 22 million;
- paid: EUR 21 million;
- carried-over: EUR 1 million.

2015 discharge: European Training Foundation (ETF)

PURPOSE: presentation of the EU Court of Auditors report on the annual accounts of the European Training Foundation (ETF) for the financial year 2015, together with the Foundations 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 Training Foundation (ETF). The Foundations task is to support the reform of vocational training in the European Unions partner countries.

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

Opinion on the reliability of the accounts: in the Courts opinion, the Foundations 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: in the Courts opinion, the transactions underlying the annual accounts for the year ended 31 December 2015 are legal and regular in all material respects.

The report did not make any particular comments on the budgetary management of the Foundation.

Lastly, the Court of Auditors report contains a summary of the Foundations key figures in 2015:

- Budget: EUR 21 million.
- Staff: 129 including officials, temporary and contract staff and seconded national experts.

2015 discharge: European Training Foundation (ETF)

Having examined the revenue and expenditure accounts for the financial year 2015 and the balance sheet as at 31 December 2015 of the European Training Foundation (ETF), as well as the Court of Auditors' report on the annual accounts of the Foundation for the financial year 2015, accompanied by the Foundation's replies to the Court's observations, the Council recommended the European Parliament to give a discharge to the Director of the Foundation 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 Foundation'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 Foundation's Financial Regulation, and that the underlying transactions for 2015 are legal and regular in all material respects.

Nevertheless, one observation was made:

- banking assets: the Court of Auditors had already pointed out that the Foundation had a significant amount of funds in accounts at one single bank with a low credit rating. The Council called on the Foundation to pursue its efforts in order to remedy the situation.

2015 discharge: European Training Foundation (ETF)

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 Training Foundation (ETF) for the financial year 2015.

The committee called on the European Parliament to grant the Director of the Foundation discharge in respect of the implementation of the agency's 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 Foundation 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 Foundation's 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](#):

- Foundations financial statements: Members noted that the final budget of the Foundation for the financial year 2015 was EUR 20 153 042, representing a decrease of 0.02 % compared to 2014. The entire budget of the Foundation derives from the Union budget.
- Commitments and carry-overs: Members noted that the carry-overs for administrative expenditure represent a considerable decrease of 20.1 % compared to the previous year.

Members also made a series of observations regarding the budget and financial management, the prevention and management of conflicts of interests, internal audits and transfers.

Lastly, Members welcomed the Foundation's continued contribution to modernising the education and training systems and to strengthening the human capital of partner countries, including the support provided to the Union's migration dialogue and Mobility Partnerships with neighbourhood countries. They also welcomed the collaboration between the Foundation and the partner countries in order to analyse the NEETs phenomenon (Young people Not in Employment, Education or Training).

2015 discharge: European Training Foundation (ETF)

The European Parliament decided to grant discharge to the Director of the European Training Foundation (ETF) 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 Foundation's annual accounts for the financial year 2015 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 502 votes to 114 with 6 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:

- Foundations financial statements: Parliament noted that the final budget of the Foundation for the financial year 2015 was EUR 20 153 042, representing a decrease of 0.02 % compared to 2014. The entire budget of the Foundation derives from the Union budget.
- Commitments and carry-overs: Parliament noted that the carry-overs for administrative expenditure represent a considerable decrease of 20.1 % compared to the previous year.
- Financial and budgetary management: Parliament noted that budget monitoring efforts during the financial year 2015 resulted in a high budget implementation rate of 99.89 %, indicating that commitments were made in a timely manner, and that the payment appropriations execution rate was high at 96.04 %.

Parliament also made a series of observations regarding the budget and financial management, the prevention and management of conflicts of interests, internal audits and transfers.

Lastly, Parliament welcomed the Foundation's continued contribution to modernising the education and training systems and to strengthening the human capital of partner countries, including the support provided to the Union's migration dialogue and Mobility Partnerships with neighbourhood countries. It also welcomed the collaboration between the Foundation and the partner countries in order to analyse the NEETs

phenomenon (Young people Not in Employment, Education or Training).

2015 discharge: European Training Foundation (ETF)

PURPOSE: to grant discharge to the European Training Foundation (ETF) in respect of the Agency's budget for the financial year 2015.

NON-LEGISLATIVE ACT: Decision (EU) 2017/1699 of the European Parliament on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2015.

CONTENT: with the present decision, the European Parliament grants discharge to the Director of the European Training Foundation for the implementation of its 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 noted that the Foundation has not collected or published declarations of conflicts of interests of all of its governing board members and that there is no mechanism which obliges the members to provide such declarations. Parliament called on the Foundation to adopt strict guidelines for a coherent policy on the prevention and management of conflicts of interest.

It noted that the Foundation's internal reorganisation came into effect on 1 January 2015 and hoped that the changed internal organisation will help the Foundation achieve better results.