

REPORT**on the annual accounts of the European Centre for the Development of Vocational Training for the financial year 2007 together with the Centre's replies**

(2008/C 311/19)

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INTRODUCTION

1. The European Centre for the Development of Vocational Training (hereinafter the Centre) was established by Council Regulation (EEC) No 337/75 ⁽¹⁾. Its core mandate is to serve the development of vocational training at Community level. In order to achieve this objective, it has the task of compiling and disseminating documentation on vocational training systems.

2. Table 1 summarises the Centre's competences and activities. Key data summarised from the financial statements drawn up by the Centre for the financial year 2007 are presented in Tables 2, 3 and 4 for information purposes.

STATEMENT OF ASSURANCE

3. This statement is addressed to the European Parliament and the Council in accordance with Article 185(2) of Council Regulation (EC, Euratom) No 1605/2002 ⁽²⁾; it was drawn up following an examination of the Centre's accounts, as required by Article 248 of the Treaty establishing the European Community.

4. The Centre's accounts for the financial year ended 31 December 2007 ⁽³⁾ were drawn up by its Director, pursuant to Article 12(a) of Regulation (EEC) No 337/75, and sent to the Court, which is required to provide a statement as to their reliability and the legality and regularity of the underlying transactions.

5. The Court conducted its audit in accordance with the IFAC and ISSAI ⁽⁴⁾ International Auditing Standards and Codes of Ethics, in so far as these are applicable in the European Community context. The audit was planned and performed to obtain reasonable assurance that the accounts are reliable and that the underlying transactions are legal and regular.

6. The Court has thus obtained a reasonable basis for the following Statement set out below:

Reliability of the accounts

The Centre's accounts for the financial year ended 31 December 2007 are, in all material respects, reliable.

Legality and regularity of the underlying transactions

The transactions underlying the Centre's annual accounts, taken as a whole, are legal and regular.

The observation which follows does not call the Court's Statement into question.

OBSERVATION

7. The Centre's 2007 budget amounted to 17,4 million euro, as compared with 17,6 million euro the previous year. The Centre's 2007 work programme lists the planned activities for each specific objective with a detailed description of outputs to be delivered. Objectives and performance indicators are often not measurable which makes it difficult to assess achievements. If it wishes its budget to be genuinely activity-based, the Centre should define precise objectives and improve its programming. The programming should establish a clear and consistent link between the set objectives and the implementation of the budgetary resources needed to achieve them.

This report was adopted by the Court of Auditors in Luxembourg at its meeting of 18 September 2008.

For the Court of Auditors
Vítor Manuel da SILVA CALDEIRA
President

⁽¹⁾ OJ L 39, 13.2.1975, p. 1.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ These accounts were drawn up on 17 June 2008 and received by the Court on 3 July 2008.

⁽⁴⁾ International Federation of Accountants (IFAC) and International Standards of Supreme Audit Institutions (ISSAI).

Table 1
European Centre for the Development of Vocational Training (Cedefop) — Thessaloniki

Area of Community competence deriving from the Treaty	Competence of the Centre as specified in Articles 2 and 3 of Council Regulation (EEC) No 337/75	Governance	Resources made available to the Centre in 2007 (Data for 2006)	Products and services supplied in 2007 (Data for 2006)	
<p>The Community implements a vocational training policy to support and supplement the action of the Member States as regards the content and organisation of vocational training.</p> <p>Action aims to:</p> <ul style="list-style-type: none"> — facilitate adaptation to industrial changes, in particular through vocational training and retraining; — improve initial and continuing vocational training in order to facilitate vocational integration and reintegration into the labour market; — facilitate access to vocational training and encourage mobility of instructors and trainees and particularly young people; — stimulate cooperation on training between educational or training establishments and firms; — develop exchanges of information and experience on issues common to the training systems of the member States. <p>(From Article 150 of the Treaty)</p>	<p>The Centre's mandate</p> <p>In its capacity as a European Union reference centre for vocational training and education, Cedefop provides political decision-makers, researchers and professionals with information aimed at developing a clearer understanding of current trends that will thus enable them to reach more soundly based decisions with a view to future action.</p> <p>Cedefop assists the European Commission in promoting and developing vocational training and education at Community level.</p>	<p>Tasks</p> <ul style="list-style-type: none"> — To compile selected documentation and produce data analysis; — To contribute to research development and coordination; — To utilise and disseminate relevant information; — To encourage and support a concerted approach to matters relating to the development of vocational training; — To provide a forum for a broad and diverse public. 	<p>1. Governing Board (GB)</p> <p><i>Consisting of:</i></p> <p>For each Member State:</p> <ul style="list-style-type: none"> — one member representing the Government; — one member representing the employers' organisations; — one member representing the employees' organisations and three members representing the European Commission. <p>2. Bureau</p> <p><i>Made up of:</i></p> <p>The chairman and the three vice-chairmen of the GB (one from each of the groups), one coordinator per group and one representative of the Commission.</p> <p>3. Director</p> <p>Appointed by the Commission from a list of candidates submitted by the Governing Board; is responsible for the management of the Centre and implements the decisions of the Governing Board and the Bureau.</p> <p>4. Internal control</p> <p>Commission's Internal Audit Service.</p> <p>5. External audit</p> <p>Court of Auditors.</p> <p>6. Discharge authority</p> <p>Parliament acting on recommendation from the Council.</p>	<p>Budget:</p> <p>17,4 million euro (17,6 million euro)</p> <p>Community contribution: 96 % (95 %)</p> <p>Staff numbers at 31 December 2007:</p> <p>Number of posts in establishment plan: 97 (95)</p> <p>Posts occupied: 89 (81)</p> <p>Other staff: contract staff, seconded national experts.</p> <p><i>Total staff:</i> 128 (123)</p> <p>assigned to the following duties:</p> <p>operational: 89 (84)</p> <p>administrative: 39 (34)</p> <p>mixed: 0 (5)</p>	<ul style="list-style-type: none"> — Conferences and seminars: 11 (24); — Workshops: 82 (24); — Visits/presentations: 24 (21); — Studies: 14 (35) + 23 grant procedures for ReferNet; — Projects: 40 (36) (of which 8 (2) administrative) plus 13 (15) virtual communities (of which 3 (1) administrative); — Participation in: Helsinki follow-up and preparation for the ministerial meeting in Bordeaux 2008, Education and Training 2010 programme, Leonardo da Vinci programme and transition to Lifelong Learning programme, social partners' joint action framework, Advisory Committee for Vocational Training, Directors-General for Vocational Training, Education and Training 2010 Coordination Group; — Publications: 34 (43); — 3 (3) issues of Cedefop info; — 3 (3) issues of the European journal on vocational training; — Circulation of documents: 8 477 (8 733) on request, 1 565 (1 774) subscriptions to the European journal, 8 490 (8 498) subscriptions to Cedefop info; — Electronic publications: 3 364 (3 324) subscriptions to ETV newsletter, 4 000 000 (3 583 478) number of ETV page views, 5 841 (7 553) registered members in the virtual communities, 769 (844) participants in the study visits programme.

Source: Information supplied by the Centre.

Table 2

European Centre for the Development of Vocational Training (Cedefop) — Thessaloniki — Implementation of the budget for the financial year 2007

(1 000 euro)

Revenue			Expenditure										
Source of revenue	Revenue entered in the final budget for the financial year	Revenue collected	Allocation of expenditure	Appropriations for the Financial Year					Appropriations carried over from the previous financial year				
				entered	committed	paid	carried over	cancelled	available	committed	paid	carried over	cancelled
Community subsidy	16 730	16 317	Title I Staff (NDA)	9 631	9 000	8 694	306	631	338	338	240	0	98
Other revenue	125	96											
			Title II Administration (NDA)	2 049	1 754	808	1 096	145	559	559	519	0	40
			Title III Operating activities (DA)										
				— CA	5 150	4 805		0	0	0	0	0	0
			— PA	5 175		4 869	99	207	0	0	0	0	0
Assigned revenue ⁽¹⁾	544	494	Assigned revenue	544	82	19	525	0	916	446	227	551	138
			Total CA	17 374	15 641		1 927	775	1 813	1 343		551	276
Total	17 399	16 907	Total PA	17 399		14 390	2 026	983	1 813		986	551	276

⁽¹⁾ For Phare funds of 50 000 euro the recovery order of 2007 was only collected in February 2008.

NDA: non-differentiated appropriations (commitment appropriations equal payment appropriations)

DA: differentiated appropriations (commitment appropriations may differ from payment appropriations)

CA: commitment appropriations in the context of differentiated appropriations

PA: payment appropriations in the context of differentiated appropriations

Source: Data supplied by the Centre. This table summarises data provided by the Centre in its Annual Accounts. Revenue collected and payments are estimated on a cash basis.

Table 3

European Centre for the Development of Vocational Training (Cedefop) — Thessaloniki — Economic outturn account for the financial years 2007 and 2006

	(1 000 euro)	
	2007	2006
Operating revenue		
Community subsidies	15 707	14 146
Other subsidies	396	457
Other revenues	373	279
Total (a)	16 476	14 882
Operating expenditure		
Staff expenditure	9 041	8 166
Fixed asset related expenditure	460	480
Other administrative expenditure	1 429	1 181
Operational expenditure	5 290	4 340
Total (b)	16 220	14 167
Surplus/(deficit) from operating activities (c = a – b)	256	715
Financial operations revenue (e)	0	0
Financial operations expenditure (f)	3	4
Surplus/(deficit) from non-operating activities (g = e – f)	– 3	– 4
Economic result for the year (h = c + g)	253	711

Source: Data supplied by the Centre — This table summarises the data provided by the Centre in its annual accounts: these accounts are drawn up on an accrual basis.

Table 4

European Centre for the Development of Vocational Training (Cedefop) — Thessaloniki — Balance sheet at 31 December 2007 and 2006

	(1 000 euro)	
	2007	2006
Non-current assets		
Intangible fixed assets	110	92
Tangible fixed assets	4 621	4 887
Long-term receivables	5	5
Current assets		
Short-term pre-financing	384	552
Stock	155	0
Short-term receivables	462	438
Cash and cash equivalents	3 763	3 919
Total assets	9 500	9 893
Current liabilities		
Provisions for risks and charges	412	317
Accounts payable	3 037	3 777
Total liabilities	3 449	4 094
Net assets	6 050	5 799
Reserves		
Accumulated surplus/deficit	5 798	5 088
Economic result for the year	253	711
Net capital	6 050	5 799

Source: Data supplied by the Centre — This table summarises the data provided by the Centre in its annual accounts: these accounts are drawn up on an accrual basis.

THE CENTRE'S REPLY

7. The Centre takes account of the observation of the Court. The Centre is working on a more precise formulation of objectives and performance indicators. For 2008 the Centre introduced an Activity Based Budgeting which establishes a clear link between activities, their objectives and the budgetary resources attributed.
