

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of its decision on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Training Foundation for the financial year 2011,
- having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2011, together with the Foundation's replies ⁽¹⁾,
- having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽²⁾, and in particular Article 185 thereof,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
- having regard to Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation ⁽⁴⁾, and in particular Article 17 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
- having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0080/2013),
- A. whereas the European Training Foundation ('the Foundation'), which is located in Turin, was established by Council Regulation (EEC) No 1360/90 ⁽⁶⁾,
- B. whereas the Court of Auditors stated that it has obtained reasonable assurances that the Foundation's annual accounts for the financial year 2011 are reliable and that the underlying transactions are legal and regular,
- C. whereas on 10 May 2012, Parliament granted the Foundation's Director discharge for the implementation of the Foundation's budget for the financial year 2010 ⁽⁷⁾, and in its resolution accompanying the discharge decision, *inter alia*:
 - called on the Foundation and the Commission to inform the discharge authority of the actual contribution granted to the Foundation for the financial year 2010,
 - urged the Foundation to focus on cost-effective reporting relevant to the Foundation's Governing Board and key stakeholders allowing them to check the Foundation's performance,

⁽¹⁾ OJ C 388, 15.12.2012, p. 165.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 354, 31.12.2008, p. 82.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ OJ L 131, 23.5.1990, p. 1.

⁽⁷⁾ OJ L 286, 17.10.2012, p. 238.

- called on the Foundation to implement the remaining recommendations of the Internal Audit Service (IAS) from previous audits,
 - called on the Foundation to inform the discharge authority of the revision of its original budget for 2010,
- D. whereas the commitments appropriations ⁽¹⁾ in the 2011 budget were EUR 20 350 000 and EUR 19 850 000 for payments,
- E. whereas the total contribution of the Union to the Foundation's budget for 2011 was EUR 19 850 000, compared to EUR 19 297 822 in 2010, which represents an increase of 2,86 %,
- F. whereas, at the end of 2011, the Foundation recorded a positive budget outturn of EUR 117 686,58,

Budgetary and financial management

1. Recalls that the total Union contribution to the Agency for 2011 amounted to EUR 19 850 000;
2. Calls on the Foundation and the Commission to inform the discharge authority of the actual contribution granted to the Foundation for the financial year 2011, as it is not very clear from the Foundation's annual accounts;
3. Recalls that the Foundation is to return a total of EUR 117 686,58 to the Commission, representing the budget outturn for 2011;
4. Observes from the Foundation's annual activity report (AAR) that it achieved a commitment rate of 99,69 %, similar to the execution rate of 2010, but higher in nominal terms;
5. Acknowledges from the AAR that in 2011, the Foundation amended its budget once to integrate assigned revenue (EUR 286 284,28 available from the previous years and EUR 4 522,81 in accumulated interest), which is usually undefined at the time of the adoption of the budget (November 2010 for the 2011 budget);
6. Takes note that according to the Foundation, its treasury management is governed by a Memorandum of Understanding with its parent Directorate-General Education and Culture (DG EAC), which defines clear criteria for the disbursement of the subvention on the basis of strict cash flow requirements; notes, furthermore, that following the Court of Auditors' visit in November 2012, the Foundation plans to draft and adopt a formal treasury policy in 2013; calls on the Foundation to inform the discharge authority of the actions taken to adopt a formal treasury policy in order to minimise and spread financial risk while aiming at adequate returns;

Transfers and carryovers

7. Establishes from the AAR that including the payments on operational commitments carried forward from 2010, the Foundation achieved a payment execution rate of 99,8 % of the EUR 19 850 000 available payment appropriations in 2011, compared to 96,5 % in 2010 and 90 % in 2009;
8. Acknowledges from the AAR that the Foundation reduced the number of budgetary transfers to 12 in 2011, compared with 15 in 2010 and 33 in 2009; acknowledges that the Foundation carried forward 13,1 % of the 2011 amount committed, compared to 12,8 % in 2010 and 17 % in 2009;
9. Takes note that the rate for the carry forward of operational activities — differentiated appropriations (*reste à liquider*) is 33 %, while the administrative carry forward for non-differentiated appropriations is 3,9 %;
10. Observes that following the review of activities and budget allocation, the Foundation proposed a budgetary reallocation to reinforce operational activities, resulting in a transfer of commitment and payment appropriations from Title I to Titles II and III of EUR 147 340;

Public procurement

11. Establishes that in the area of procurement, nine tendering procedures were cancelled, 38 contracts were signed and 104 contracts were active on 31 December 2011;

⁽¹⁾ Annual Accounts for 2011, p. 13.

Premises

12. Acknowledges from the Court of Auditors that the situation regarding the Foundation's premises is unsatisfactory and puts its activities at risk of disruption; calls on the Foundation to persevere in its efforts to reach a satisfactory solution and to inform the discharge authority of the actions taken to address this deficiency; notes that the Foundation is now in the process of signing the new service contract with the region, which is planned — following the agreement with the parties — for the end of February 2013;

Human resources

13. Notes from the AAR that at the end of 2011, the Foundation had six vacant posts in its establishment plan, compared to four at the end of 2010;
14. Observes that the number of staff at the Foundation now stands at 125, with seven staff members joining the Foundation and 10 leaving in 2011;
15. Takes note from the AAR that the number of posts available for the implementation of the Foundation mandate is as follows:
 - 90 temporary posts;
 - 32 contract and local agents,
 - two local agents, and
 - one seconded national expert;

Performance

16. Observes from the AAR that the Foundation developed a revised list of corporate performance indicators with the aim of enhancing the relevance and measurability of its objectives and to provide data on how the Foundation performs at an aggregated level in relation to its core business and its functioning;
17. Notes, in addition, that the Foundation developed the 'dashboard' project, which aims to ensure live key data for the daily monitoring of its activities and, in particular, for management and reporting;
18. Acknowledges that the Foundation successfully continued the second year of the Torino Process, which provides a concise, documented, comprehensive analysis of vocational education and training reform in each country, including the identification of key policy trends, challenges, constraints, good practice and opportunities, with the conference consolidating the findings of analyses from 2010 and agreement on the Torino Declaration, as well as the Torinet initiative on capacity building in evidence-based policy making;

Cooperation with the European Centre for the Development of Vocational Training (Cedefop)

19. Notes that in November 2009, the cooperation agreement between the Foundation and Cedefop was renewed for the period 2010-2013; acknowledges that each year the Foundation and Cedefop draft a joint work programme in the context of the cooperation framework, which is annexed to the work programmes of each Agency; welcomes the Foundation's intention to devote further space to reporting on the implementation of this joint work programme in future AARs;
20. Establishes that in 2011, the Foundation and Cedefop further systematised their cooperation to maximise the benefits for their respective mandates, which resulted in the organisation of knowledge sharing seminars, collaborations in the area of qualifications development, the implementation of common Union instruments and cooperation for the preparation of the 2012 reporting progress of Candidate Countries as part of the follow up to the Bruges Communiqué on enhanced European Cooperation in Vocational Education and Training;
21. Invites the Commission, together with the Foundation, the European Centre for the Development of Vocational Training, European Foundation for the Improvement of Living and Working Conditions and the European Agency for Safety and Health at Work to further explore the synergies that exist between those agencies and to report to the discharge authority on the possible deeper integration of those four agencies; invites those agencies and the Commission to evaluate whether closer cooperation could lead to economies of scale and optimisation of their performance;

Internal audit

22. Acknowledges that the IAS undertook an operational and compliance audit on external and internal communication in the Foundation in 2011; notes, in particular, that the IAS raised 14 recommendations, of which no recommendations were rated as 'critical or 'very important'; notes, furthermore, that 12 recommendations were rated as 'important' and one recommendation was rated as 'desirable';
23. Calls, in this context, on the Foundation to implement the IAS recommendations;
24. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 17 April 2013 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted P7_TA(2013)0134. (See page 374 of this Official Journal).