DECISION OF THE EUROPEAN PARLIAMENT

of 13 April 2000

granting discharge to the Management Board of the European Centre for the Development of Vocational Training in respect of the implementation of its budget for the 1998 financial year

(2000/467/EC)

THE EUROPEAN PARLIAMENT,

Having regard to the report of the Court of Auditors on the statements and management of the European Centre for the Development of Vocational Training (Cedefop — Thessaloniki) for the financial year ended December 1998 (C5-0149/2000) [1],

Having regard to the Council recommendation of 13 March 2000 (C5-0151/2000),

Having regard to the EC Treaty and in particular Article 276 thereof,

Having regard to Rule 93 and Annex V of its Rules of Procedure,

Having regard to the report of the Committee on Budgetary Control (A5-0089/2000),

Whereas:

A. Parliament granted discharge to the Management Board on 4 May 1999 [2] for the financial year 1997 on the basis of commitments to introduce a new budgetary and accounting system, to reduce reliance on imprest accounts, to adopt a new staff policy and to submit biannual progress reports on the state of the new premises.

B. The report of the Court of Auditors for 1998 notes that the Centre still uses an old and complex system for drawing up its budget and balance sheets, relies on the imprest accounts for paying staff, does not systematically review staff entitlements and suffers from delays when issuing calls for tender.

C. The Centre is behind shedule in the completion of its own management and accounting system, begun in 1997, while a similar system was developed for decentralised Agencies for the Commission as of 1 January 1998.

D. The Centre foresees final approval of its new building in November 2000, following its official opening in November 1999.

E. The relatively long contradictory procedure between the Centre and the Court of Auditors for a short report leads to the submission of the annual report for 1998 in November 1999.

F. The Court of Auditors, whose mandate is not to evaluate the effectiveness of the Centre in meeting its goals but to audit its accounts, concludes that it has obtained reasonable assurance that the annual accounts for the financial year ended 31 December 1998 are reliable and the underlying transactions are, as a whole, legal and regular.

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[1] OJ C 372, 22.12.1999, p. 26.
[2] OJ C 279, 1.10.1999, p. 140.

G. There is a need for an external evaluation to assess the effectiveness of the Centre in meeting its goals of developing vocational training, given that the last study on the impact of the Centre was conducted in February 1995.

1. Notes the following figures for the accounts of the European Centre for the Development of Vocational Training:

1998 FINANCIAL YEAR

	(in thousand EUR)
(a) **Revenue**	**12 953**
1. Subsidy from the Commission	12 943
2. Miscellaneous revenue	10
3. Revenue from services rendered against payment	0
(b) **Expenditure**	**12 635**
Title I — Staff expenditure	
1. Payments for the year	5 421
2. Appropriations carried over	599
Title II — Administrative expenditure	
1. Payments for the year	878
2. Appropriations carried over	528
Title III — Operating expenditure	
1. Payments for the year	2 433
2. Appropriations carried over	2 776
Balance for the year	**697**
Out-turn for the year ((a) - (b))	318
Appropriations carried over from the previous year which lapsed	320
Exchange differences for the year	59

25th year of operation of first decentralised Agency

2. Congratulates the Centre on its silver jubilee year of operation, since its creation by Council Regulation (EEC) No 337/75 on 10 February 1975, and believes that its revitalisation in recent years will lead to a marked improvement in the delivery of products and services.

3. Recognises that the Centre has managed to overcome staffing and location problems resulting directly from its enforced transfer from Berlin to Thessaloniki in September 1995.

Impact of Commission reform programme

4. Notes that Parliament's demands for the Commission to reform its structure and financial management systems and the consequent change in the role of the Directorate-General for Financial Control will have a direct bearing on the Agency and will require the recasting of the financial regulations and the introduction of activity-based budgeting.

Delays in development of computer system

5. Notes that the Centre expended scarce resources in 1997, 1998 and 1999 to develop a tailor-made computer system to manage its budget and accounts, while a number of Agencies employ a decentralised application developed by the Commission, Sincom2.

6. Calls on the Centre to ensure that the old system is fully replaced before 1 July 2000 and expects that the new application will be vetted by the Commission and the adequate documentation and in-house expertise will be provided for.

7. Calls on the Commission to extend the system to encompass activity-based management for Agencies, including monitoring, auditing or evaluation of personnel, missions, documents and inventory, on the lines of the Integrated Resources Management System (IRMS).

Imprest accounts

8. Welcomes the fact that the Centre has reduced its reliance on imprest accounts for payments from EUR 6,6 million in 1997 and EUR 5,9 million in 1998 to EUR 3,1 million in 1999 and, while recognising the environment in which the Centre operates, urges a further reduction in the use of imprest accounts.

Buildings policy

9. Congratulates the Centre on the official inauguration of its building on 22 November 1999, but is concerned that final approval is only foreseen for November 2000.

Recommendations to the Court of Auditors

10. Welcomes the short and precise reporting by the Court of Auditors and hopes that the Court will continue in this business-like fashion. Calls on the Court of Auditors to follow up systematically decisions of the discharge Authority and to produce a comprehensive analysis of the audits of all Agencies.

11. Calls on the Centre and the Court of Auditors to reduce the duration of the contradictory procedure to ensure that the annual report can be presented to Parliament before 15 July of the year following the financial year in question.

New strategy and action plan in the light of the five-year evaluation

12. Welcomes the launching of an external evaluation of the impact of the Centre's activities and asks that recommendations made in its last evaluation of 1995 be appraised, and calls for presentation to Parliament of the new strategy and action plan before 31 December 2000.

Discharge decision

13. Gives discharge to the Management Board of the European Centre for the Development for Vocational Training in respect of the implementation of its budget for the 1998 financial year.

14. Instructs its President to forward this decision to the Management Board of the European Centre for the Development for Vocational Training, the Council, the Commission and the Court of Auditors and to have it published in the *Official Journal of the European Communities* (L series).

The Secretary-General	*The President*
Julian PRIESTLEY	Nicole FONTAINE