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European Communities

EUROPEAN PARLIAMENT

Working Documents

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DOCUMENT 1-344/80

Report

drawn up on behalf of the Committee on Budgetary Control

on the discharge to be granted to the Management Board of the European Centre for the Development of Vocational Training in respect of the implementation of its appropriations for the financial years 1975, 1976, 1977 and 1978 and the comments accompanying this decision

Rapporteur: Mr Richie RYAN

At its meeting on 2 October 1979 the Committee on Budgetary Control appointed Mr RYAN rapporteur for the discharge to be given to the Management Board of the European Centre for the Development of Vocational Training in respect of the implementation of its appropriations for the financial years 1975, 1976, 1977 and 1978.

The committee considered the draft report at its meetings of 27/28 May 1980 and 10 July 1980. At the latter meeting the committee unanimously adopted the proposed decision and the motion for a resolution.

Present: Mr Aigner, chairman; Mrs Boserup and Mr Price, vice-chairmen; Mr Battersby, Mr Colla, Mr Irmer, Mr Kellett-Bowman, Mr Notenboom, Mr d'Ormesson, Mr Patterson (deputizing for Mr John Mark Taylor), Mr Simonnet and Mr Wettig.

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A

1

The Committee on Budgetary Control hereby submits to the European Parliament the following proposed decision:

PROPOSED DECISION

on the discharge to be granted to the Management Board of the European Centre for the Development of Vocational Training in respect of the implementation of its appropriations for the financial years 1975, 1976, 1977 and 1978 and on the reports of the Audit Board and of the Court of Auditors

- having regard to the Treaty establishing the EEC and in particular Article 206b thereof,
 - having regard to the revenue and expenditure accounts of the European Centre for the Development of Vocational Training for the financial years 1975, 1976, 1977 and 1978,
 - having regard to the reports of the Audit Board on the 1975 and 1976 accounts and to the reports of the Court of Auditors on the 1977¹ and 1978² accounts,
 - having regard to the report of the Committee on Budgetary Control (Doc 1-344/80),
- (a) recalling that the treaty of 22 July 1975, duly ratified by all the Member States, conferred on the European Parliament final responsibility in relation to the grant of discharge in respect of the general budget of the European Communities;
- (b) aware of the importance which attaches to the prompt consideration of the granting of discharge as soon as possible after the report of the Court of Auditors thereon has been furnished to the discharge authority;
- (c) anxious to ensure closer political control over the activities of the Centre and to enhance the value of its work;

¹ OJ No C 313, Vol 21, 30.12.1978 (contains summary)

² OJ No C 326, 31.12.1979 (contains summary)

1. Notes the following figures for the accounts of the European Centre for the Development of Vocational Training for the financial years 1975, 1976, 1977, and 1978

| | 1975 | 1976 | 1977 | 1978 |
|--|------------|------------------|--------------------------|------------------------------|
| | | Units of Account | | European Units of account |
| A. Receipts (Total) | 408,000.00 | 819,595.25 | 1,495,285.08 | 2,306,113.61 |
| 1. Subsidy from the Commission of the EC | 408,000.00 | 773,397.30 | 1,475,557.57 | 2,290,656.18 |
| 2. Bank interest | - | 46,197.95 | 18,158.44 | 12,643.24 |
| 3. Other | - | - | 1,569.07 | 2,814.19 |
| B. Expenditure | | | | |
| 1. Final budget appropriations | 408,000.00 | 1,183,916.00 | 2,002,000.00 | 2,802,800.00 |
| 2. Commitments | 408,000.00 | 819,595.25 | 1,495,285.08 | 2,306,113.61 |
| 3. Appropriations unused (1-2) | - | 364,320.75 | 506,714.92 | 496,686.39 |
| 4. Payments | 23,366.00 | 510,409.51 | 1,153,030.61 | 1,903,852.61 |
| 5. Appropriations brought forward | - | 384,634.00 | 309,185.73 | 499,326.88 ^{**} |
| 6. Payments from appropriations brought forward | - | 384,618.12 | 199,178.04 | 300,243.01 |
| 7. Appropriations brought forward and cancelled (5-6) | - | 15.88 | 110,007.69 | 199,083.87 |
| 8. Appropriations carried forward | 384,634.00 | 309,185.73 | 342,254.47 ^{**} | 402,261.00 |
| 9. Appropriations cancelled ^{***} (1-4-8) | - | 364,320.76 | 506,714.92 | 496,686.39 |

^{**} Appropriations carried forward (B.8/1977) expressed in U.A., appropriations brought forward (B.5/1978) expressed in EUA.

^{***} Does not take account of cancellation of appropriations carried forward from previous year.

2. Grants a discharge to the Management Board of the European Centre for the Development of Vocational Training on the basis of the reports of the Audit Board and the Court of Auditors, in respect of the accounts for the financial years 1975, 1976, 1977 and 1978;

3. Draws attention to its resolution embodying the comments accompanying this decision granting a discharge and asks the Commission of the European Communities to report to it on the measures taken following those comments;

4. Instructs its President to communicate this decision and the attached comments to the Commission of the European Communities and to the Management Board of the European Centre for the Development of Vocational Training, to forward them to the other Institutions and to arrange for their publication in the Official Journal (L series).

II

The Committee on Budgetary Control hereby submits to the European Parliament the following motion for a resolution together with explanatory statement

MOTION FOR A RESOLUTION

containing the comments accompanying this decision granting a discharge to the Management Board of the European Centre for the Development of Vocational Training in respect of its revenue and expenditure accounts for the financial years 1975, 1976, 1977 and 1978

The European Parliament

1. Asks the Commission of the European Communities, the Council of the European Communities and the European Centre for the Development of Vocational Training to take the necessary measures to comply with the following comments and calls on the Commission to submit a written report by 1 February next on the follow up to these comments;

Grant of discharge

2. Considers that the principle reflected in Article 206 b of the Treaty establishing the European Communities, as amended by the Treaty of 22 July 1975, which confers on the European Parliament responsibility for the final grant of discharge in respect of the general budget of the European Communities, applies also to those appropriations entered in the budget at Item 3010, and, therefore, asks the Commission to put forward proposals, without further delay, designed to bring the financial provisions of the European Centre for the Development of Vocational Training, insofar as they relate to the arrangements for the grant of discharge, into line with the provisions set out at Article 85 of the financial regulation applying to the general budget of the European Communities;

Approval of transfers

3. Observes that the provisions in relation to the approval of transfers from one chapter to another do not provide for a priori parliamentary control and asks the Commission of the European Communities to put forward the necessary proposals designed to provide for budgetary

authority control over transfers between chapters which exceed 25,000 EUA or 25% of the combined chapters affected, whichever is the greater;

Revision of financial regulation

4. Considers that a separate financial regulation for the Centre is unnecessary and asks that, in the interest of clarity and the consolidation of texts, when the financial regulation¹ is being amended later this year, a section be included in it to take account of the special situation of the Centre, that the separate financial regulation should be suppressed, that the general financial regulation should include a detailed index, and that a similar change be made in the case of the other satellites;

Recruitment of Staff

(a) as regards non-specialist staff:

5. Believes that the staff of the European Centre for the Development of Vocational Training should be recruited in accordance with the general staff regulations applicable to the officials of the European Communities and that, in future, all recruits at all grades should be drawn from the lists of those who were successful in Community Institution competitions for the relevant grades or seconded from those serving in the Institutions and calls on the Commission to put forward the necessary amending proposals, so as to improve the possibilities for mobility between the Centre and the Institutions;

(b) as regards specialist staff:

6. Is of the opinion, however, that, in a specialised satellite such as the Centre, the need can arise to employ highly qualified specialists, on short contract, seconded, for instance, from universities or other research centres, to undertake or coordinate research and believes that recourse should be had to this procedure as a means of increasing staff mobility and of ensuring greater cross-fertilisation of ideas;

Need to safeguard flexibility

7. Believes that the justifications for the setting up of the Centre as a Community satellite - autonomy of operation, flexibility and enhanced power of initiative - are still valid but is conscious of the risks that inflexibility could be built in where the Centre finds itself working remote from the political organs of the Community or by the development of over-elaborate procedures and systems;

¹ OJ No. L 356, 31.12.1977

8. Therefore,

- a) Asks the Commission and the Court of Auditors in the context of the forthcoming revision of the Financial Regulation to examine whether a less cumbersome accounts system might not be developed in the case of the Centre and the other satellite bodies and autonomous agencies; and
- b) Suggests to the Management Board of the Centre that it continues to ensure flexibility of procedures and provides means of mobility of employees where necessary by way of recourse to contracts for experts;

Improved political contacts

9. So that the work of the Centre can have maximum impact and so that the political instances of the Community can be more fully aware of the activities of the Centre, it is suggested that the Centre should be represented at meetings of the specialised Committees of the European Parliament when its estimates, work programmes and accounts are being considered and also that it should be represented at meetings of the specialised Committees of Council when its draft budget is being prepared;

Data-processing equipment

10. Will consider the data-processing equipment requirements of the Centre in the light of the findings of a further study being undertaken by the Court of Auditors and which will be included in the report on the 1979 accounts;
11. Notes that an overall comprehensive Community policy in regard to the selection, acquisition and utilisation of data-processing equipment does not appear to have been communicated by the Commission to satellite bodies of the Community and expects that this lacuna will be set right as soon as possible;

Cost effectiveness

12. Notes that the Court of Auditors intends to pay particular attention to questions of cost effectiveness in a future audit examination of the Centre and will consider this aspect in the context of the discharge in respect of the 1979 financial year;

Publication of Report of the Court of Auditors

13. Considers that it is appropriate that at least a summary of the report of the Court of Auditors on the Centre should be published, including its observations to the Centre and the replies of the Centre thereto, in the Official Journal, together with the reports on the other satellites, and asks the Commission to take account of this aspect when proposing amendments to the financial regulation.

EXPLANATORY STATEMENT

Introduction

1. Although the European Centre for the Development of Vocational Training was set up in 1975 by Council Regulation,¹ to date parliamentary discharge has not yet been given to the Management Board in respect of the implementation of its revenue and expenditure accounts. In July 1978, a deputation from the Control Sub-Committee of the Committee on Budgets, visited the Centre in the context of preparing a possible discharge decision on its accounts. The main points considered by that delegation, which consisted of Mr AIGNER and Mr HANSEN, are set out in PE 54.773. On 22 and 23 April 1980, the rapporteur, accompanied by Mr Edward KELLETT-BOWMAN, visited the Centre and carried out an exhaustive political control and examination of the activities of this satellite. To prepare the ground for a useful visit, the rapporteur sent a detailed list of questions² to the Centre and received answers to these before carrying out on-the-spot investigations.

2. In view of certain reservations expressed in the past and having regard to the fact that this is the first occasion on which Parliament is asked to pronounce on the matter of the grant of discharge to the Centre, the rapporteur considers it appropriate to sketch out the background and the rôle of the Centre.

Rôle of the Centre

3. In the regulation establishing the Centre, it was charged with the task of promoting and developing vocational training and in-service training. It was expected to contribute, through its scientific and technical activities, to the implementation of a common vocational training policy and to encourage the exchange of information and the comparison of experience (Article 2, paragraph 1, sub-paragraphs 2 and 3 of its founding regulation).

¹ EEC Regulation 337/75 of 10.2.1975, OJ No L 39, page 1 of 13.2.1975.

² PE 63.790

4. The main tasks of the Centre were considered to be:
- the compilation of selected documentation in regard to vocational training matters;
 - contributing to the development and coordination of research;
 - disseminating useful documentation and information;
 - encouraging and supporting any initiative likely to facilitate a concerted approach to vocational training problems; and
 - providing a forum for all those concerned.

Parliament's attitude

5. Parliament approved ¹ of the proposal to set up the Centre and stressed the need for the Centre to enjoy autonomy and to have the power of initiative. However, in view of the relatively limited organisational structure, Parliament believed that the Centre should use the existing structures in the individual Member States and should communicate the results of specific operations, experiments and pilot projects to all interested circles. Further, Parliament considered it vital to work out European profiles for the various occupations and harmonise plans for courses and training programmes so as to facilitate the mutual recognition of diplomas and qualifications.

Location of the Centre

6. The Centre is situated in Berlin and is located in a building granted to it rent free by the Berlin Senate. The rapporteur has been given to understand by the Director of the Centre that the location does not constitute a major problem for the work of the institution although its geographical decentralisation in respect of the seats of the Community institutions does increase the time spent in travelling and limits permanent contacts with other organs of the Community.

Management Board

7. The Centre is managed by a Management Board comprising thirty members of whom
- 9 members represent the governments of the Member States;
 - 9 members represent the employers' organisations;
 - 9 members represent the employees' trade union organisations; and
 - 3 members represent the Commission.

¹ OJ No C127, page 20, 18.10.74.

The term of office of members is three years and is renewable.

Director of the Centre

8. The Director of the Centre is appointed by the Commission from a list of candidates submitted by the Management Board and his term of office is renewable every 5 years. The Director is the legal representative of the Centre; he prepares and organises the work of the Management Board, coordinates the activities of the working parties and is responsible for all staff matters and for engaging and dismissing staff.

Financial Regulation

9. A separate set of financial provisions ¹ apply to the European Centre for the Development of Vocational Training. These financial provisions were pronounced on favourably by the European Parliament ² which approved the Commission's efforts to maintain budgetary unity and recognised the need, in certain cases, to decentralise the administrative structure of the Community.

Staff Regulations

10. The Centre also has a separate set of staff regulations ³ - as is the case with the European Foundation for the Improvement of Living and Working Conditions.

Budgetary Provision

11. The general budget of the EC provides, at item 3010 of Section III, for a subsidy in support of the Centre. This subsidy accounts for virtually all of the receipts of the Centre. For some time, members of Parliament and specialised Committees had been preoccupied at the way in which the Centre appeared to underspend its appropriations. The issue came to a head when the draft budget for 1980 was being considered by Parliament.

¹ OJ No L164, page 1, 24.6.1976.

² OJ No C100, page 13, 13.5.1976.

³ OJ No L214, page 1, 6.8.1976.

Amendment to the 1980 draft budget

12. At its meeting on 7 November 1979, the European Parliament adopted draft amendment no 302, tabled by Mr DANKERT on behalf of the Committee on Budgets. This amendment had the effect of entering a payment appropriation of 500,000 EUA in Chapter 100 opposite the item for the Centre. The amendment took account of earlier preliminary draft amendments tabled by the rapporteur and by the Socialist Group; it had the net effect of making available an additional sum in the budget for the Centre of 140,000 EUA, bringing the total subsidy to 3,640,000 EUA. Entry under Chapter 100 of the 500,000 EUA was considered to be appropriate because the Centre was 'giving rise to certain anxieties as regards the way that appropriations are being spent, particularly in view of the report of the Court of Auditors'.¹

Use of appropriations

13. In the earlier years of its existence, the Centre underspent on the appropriations made available to it. However, as the following table² shows, there was an improvement over the years:

Use of appropriations for staff

| <u>Financial Year</u> | <u>%</u> |
|-----------------------|----------|
| 1976 | 63.62 |
| 1977 | 86.42 |
| 1978 | 96.42 |

Furthermore, according as the staff strength of the Centre was built up, it was better able to implement all the aspects of its work programme; expenditure for pilot studies and projects attained a higher level in 1978 and outlay in regard to the dissemination of information collected improved further in 1979. Following are the figures for use of appropriations under Chapter 3 (operating expenditure)- but see also table 5 in Annex.

| <u>Financial Year</u> | <u>%</u> |
|-----------------------|----------|
| 1976 | 58.90 |
| 1977 | 59.58 |
| 1978 | 62.07 |

¹ debates of the European Parliament, 7 November 1979, page 440.

² supplied by the Centre.

14. Whilst in no way subscribing to the view that 100% use of appropriations is an indicator of efficient management of available funds, the rapporteur considers that the evolution of expenditure in relation to the Centre presents a more satisfactory picture, than earlier years. Therefore, some of the cause for concern which troubled the previous delegation on their visit to the Centre has now been removed. As well, as can be seen from the following table showing the pattern of the Centre's expenditure, a better balance is being brought about as between staff outlay and operating expenditure:

| | 1975 | 1976 | 1977 | 1978 |
|------------------------------|-------|-------|-------|-------|
| - Staff | 0.11 | 39.58 | 52.95 | 59.64 |
| - Administrative expenditure | 99.89 | 34.55 | 18.62 | 9.16 |
| - Operating expenditure | | 25.87 | 28.43 | 31.20 |
| Total | 100 | 100 | 100 | 100 |

Complex Accounting Procedures

15. A feature which came to light during the course of the visit to the Centre was the relatively complex nature of the accounting procedures which the Centre - although small in size and with a relatively modest staff - must follow. The changeover from an entirely manual system of accounting to a system involving data-processing equipment apparently brought about the following saving in staff time:

- two-thirds of a C3 head of staff;
- half a B1 head of staff;
- one-fifth of a B3; and
- one quarter of a B5 head of staff

estimated at the equivalent of 7755 DM per month. However, this aspect will be looked at in the light of the next Court of Auditors' report.

Use of computer type equipment

16. The Court of Auditors, and indeed the Council, commented critically on the data-processing equipment used by the Centre. The rapporteur and Mr Edward KELLETT-BOWMAN examined the situation in regard to the use of the IBM 32 by the Centre. This particular model was chosen because it is the smallest of the range available and because a similar model was in use in Karlsruhe.¹ It was possible for the Centre to take over the programmes of a Community accounting type already

¹ At the JRC establishment

developed in Karlsruhe, thus ensuring certain economies. The delegation noted the economies adverted to by the Centre which resulted from the renting of the computer at 3370 DM per month. However, it considers it necessary that such equipment should also be used in connection with the scientific and technical work of the Centre and not solely for administration purposes. The delegation checked that the security of data is safeguarded and was assured that a reserve copy is kept. As the Court of Auditors are considering in depth the data-processing equipment at the Centre, the rapporteur considers it appropriate to suspend final judgment on this matter until such time as the Court of Auditors' report has reached this Committee. It is surprising that the Commission does not appear to have communicated to satellite bodies any policy guidelines in regard to the selection, acquisition or utilisation of computers. It is to be hoped that, in the context of present on-going work, this lacuna will be corrected.

Relations between the Centre and other Community instances

17. Whilst it appears that there are some difficulties in regard to the integrating of European Social Fund work into the programme of the activities of the Centre, contacts between the Centre and Directorates-General V and XII of the Commission are well developed. The Centre participates in the work of the Consultative Committee of the ESF; there is, apparently, a satisfactory reciprocal exchange of information with the Commission.

18. On the other hand, the links between the Centre and relevant European Parliament Committees are too weak and should be strengthened and developed. It would appear to be appropriate that the Centre should attend meetings of the Committee on Budgets when its annual estimates are being examined; it should also present its programme to the Committee on Social Affairs and Employment and report to it at frequent intervals on on-going work of a vocational training character; as well, the Centre should also be present at the Committee on Budgetary Control when its annual accounts are being examined. Further, it would appear to be reasonable that the Centre should be represented at the specialised Committees of the Council when its estimates are being considered in the context of the preparation of the draft budget. Such heightened involvement with the political organs of the Community would give a boost to the prestige of the Centre, help to revitalise and reinvigorate its activities and increase public awareness of its work. Moreover, it is by making its findings better known that its contribution to European integration can be further developed.

Flexibility of the Centre

19. The fact that the Centre's work programme is established on an annual basis gives it a high degree of flexibility; it can amend its programmes speedily. It has close contacts with the Commission and the development of its network of contacts with the specialised agencies in the Member States marks the completion of the initial stage of the evolution of the Centre's rôle. The intensification of its catalysing rôle and making it a more dynamic source of social development and harmonisation in the Community could be helped by closer involvement with the political instances as outlined in the preceding paragraph as well as by doing more work on current vocational training problems.

Possible link with the EFILWC

20. To the extent that the European Foundation for the Improvement of Living and Working Conditions develops its role in regard to working conditions, the possibility of overlapping between the responsibilities of the Centre and the Foundation could arise. Such overlapping has not yet occurred; there is a systematic exchange of documents between the two bodies and working hypotheses are being drawn up in regard to future programmes of mutual interest. Up to now, the Centre has been orientated primarily towards coping with the preoccupations of the Commission in the social sphere. There would appear to be a need to ensure that the Centre keeps in touch with problems of a Community-wide nature not yet being individually pursued within the Commission. The Centre has now completed the development of its information network and has perfected its system of tackling specific studies. It is endeavouring to create a Community spirit in its specialised area so that:

- (a) the responsible authorities may be aware of developments outside national frontiers; and
- (b) there could be a genuine Community approach to priority problems.

21. Progress has been slow in getting results in vital sectors of interest such as improving labour mobility and Community-wide harmonisation of technical diplomas and trades. Reaction to matters such as the potential impact of micro-processors on the labour force of the Community is not particularly noteworthy up to now. There is a danger that the procedures of fact-finding, identifying studies made elsewhere, opening up contacts with other specialised agencies and problem definition could give rise to inflexibilities in the working of the Centre which, in time, could rob it of the advantages which its compact size and degree of autonomy should otherwise confer on it.

Social Welfare

22. Whilst five systems of social security are, at present, applied to the staff of the Centre, it appears that the situation does not give rise to the kind of difficulties experienced at the Foundation in Dublin because the German social security system is vastly more favourable than that applying in Ireland.

Staff numbers

23. At paragraphs 8, 10 and 13 above, references were made to the staff aspects of the Centre. The following table sets out the number of staff posts at the Centre:

| Category | Grade | Number of posts authorised for 1979 |
|----------|-----------------|-------------------------------------|
| A | Director | 1 |
| | Deputy Director | 2 |
| | 5 | 9 ¹ |
| | 6 | 3 ² |
| | 7 | 5 |
| B | 1 | 1 |
| | 3 | 1 |
| | 5 | 2 |
| C | 1 | 1 |
| | 2 | 1 |
| | 3 | 6 |
| | 5 | 2 |
| TOTAL | | 34 |

¹ including 3 translators

² including 1 translator

Need to consolidate Community Financial Regulations

24. At paragraph 9 above, the existence of a separate financial regulation has been adverted to. Your rapporteur is convinced that the existence of several separate financial regulations takes from the clarity and transparency of the implementation of appropriations provided for in the general budget of the EC. He therefore proposes that, in the context of the next revision of the financial regulation applying to the general budget, a section should be built in to take account of the particular situation of the Centre; similarly, a section should be included in the general financial regulation, as revised, to cover the operations of the other satellite bodies and the separate regulations ~~which~~ exist for these at present should be suppressed. Moreover, your rapporteur considers it to be highly desirable that the new revised financial regulation should contain an exhaustive index to its contents.

Grant of discharge

25. When examining the accounts of the Foundation in Dublin, the Committee on Budgetary Control decided that, in view of the provisions of the Treaty of 22 July 1975, the grant of discharge is now a matter solely within the responsibility of the European Parliament. Your rapporteur contends that the same situation applies in relation to the Centre because the provisions of its financial regulation have been rendered out of date by the adoption of the aforementioned Treaty.

Transfers

26. The financial provisions applicable to the Centre are out of harmony with the provisions in Article 21 of the general financial regulation in that their arrangements for control over transfers do not require parliamentary approval. Such ineffective political control is unacceptable. Again, as with the case of the Foundation, your rapporteur suggests that this matter be redressed.

The ECA report on the Centre

27. Your rapporteur observes that the official journal containing the annual report of the Court of Auditors ¹ contains a summary of the report on the Centre. In view of the fundamental issues raised by the Court of Auditors it appears appropriate to your rapporteur that a summary of the replies of the Centre thereto should also be published.

¹ OJ No. C 326, 31.12.1979

Cost effectiveness

28. It is noted that the Court of Auditors intends to pay particular attention to questions of cost effectiveness, in a future audit, examination of the Centre. Therefore, your rapporteur suspends his consideration of this subject until the report of the Court of Auditors in respect of the 1979 financial year is available.

Charge for publications

29. Your rapporteur considers that, as with the Foundation, a policy in regard to charging for publications should be put into operation at the Centre - and its management is already considering this. The Centre is complimented for using existing Community document distribution services in Luxembourg rather than endeavouring to create a parallel distribution service from the Centre itself.

Further statistical material

30. Some further statistical material on the Centre is set out in the annex to this explanatory statement.

CERTAIN STATISTICAL POINTSANNEX I1. Number of meetings of the organs of the Centre

| | 1975 | 1976 | 1977 | 1978 | 1979 |
|------------------|------|------|------|------|------|
| Management Board | 1 | 4 | 2 | 3 | 4 |
| Bureau | | 7 | 7 | 7 | 9 |

2. Number of Seminars and working groups organised

| | 1975 | 1976 | 1977 | 1978 | 1979 |
|----------------|------|------|------|------|------|
| Seminars | | 1 | 6 | 2 | 1 |
| Working Groups | | 5 | 24 | 44 | 44 |

3. Number of pages translated

| | Total (x) | Internal translation | |
|------|-----------|----------------------|------------|
| | | pages | % of total |
| 1976 | | | |
| 1977 | 3 000 | 870 | 29.0 % |
| 1978 | 7 712 | 1 342 | 17.4 % |
| 1979 | 16 000 | 1 603 | 10.0 % |

(x) Translators were engaged 1 July, 1 August and 1 October 1977. No statistics were kept before 1.7.1977. Figures for 1977 are limited to July-December. Total figure for 1979 is approximate.

4. Interpretation

| | 1978 | 1979 |
|--------------------|------|------|
| - conferences | 54 | 54 |
| - conference days | 65 | 86 |
| - interpreter days | 491 | 597 |

5. Real use of appropriations

| | 1976 ua | 1977 ua | 1978 |
|---|------------|------------|-----------|
| Final appropriations | 360,000 | 760,000 | 1,158,900 |
| Appropriations cancelled (including appropriations cancelled out of carry- forwards from previous year) | 253,465 | 417,391 | 487,426 |
| Use of appropriations(%) | 29.6 | 45.1 | 57.9 |

QUESTIONNAIRE ADDRESSED BY MR RICHIE RYAN, RAPPORTEUR, TO THE EUROPEAN CENTRE FOR THE DEVELOPMENT OF VOCATIONAL TRAINING, TOGETHER WITH ANSWERS FURNISHED BY THE CENTRE

(a) General Background material

1. Is the Centre convinced that the work entrusted to it can be carried out better by the present organisation than it could if the role were entrusted to a section within the Commission ?

Answer: The Centre was established in 1975 by the Council acting on a proposal from the Commission.

The Centre can however point to the exceptional character of a Community organisation in which the social partners and the governments are engaged in a permanent coordination process with the Commission on the basis of which the activities of the organisation are determined.

Furthermore the same partners are involved, together with practitioners and experts, in developing these activities. As a result of these discussions and meetings, ideas mature and the awareness of the Community dimension of problems increases. Thus, conditions develop which are favourable to the implementation in the Member States of the measures taken up by the Council and by the Commission.

2. What has been accomplished by the Centre since it was established ?

Answer: The aim of the Centre is to assist the Commission in encouraging, at Community level, the promotion and development of vocational training and of in-service training.

In accordance with Article 2(2) of Council Regulation No 337/75 the Centre has been assigned the following tasks :

A. To compile selected documentation relating to the present situation. Up to now the following aspects have been examined with a view to establishing comparative documentation :

- a) emergency measures for the employment and training of young people;
- b) equal opportunities for women in vocational training ;
- c) continuing education and training - file of innovations in the EC member States;
- d) background conditions and amenability to occupational and social mobility processes in the European context;
- e) Comparative study on the financial, legislative and regulatory structure of vocational training systems.

B. To contribute to the development and coordination of research in the relevant fields. Items dealt with include;

- a) youth unemployment and vocational training;
- b) occupational choice and motivation of young people;
- c) vocational training to improve opportunities for migrant workers;
- d) migrants and return flows;
- e) training and new activities;
- f) the relationship between job structures, qualifications and vocational training systems;
- g) vocational preparation of unemployed young people;
- h) the approximation of standards in the electrical trades.

C. To disseminate all useful documentation and information. To this effect the Centre

- a) publishes the 'Vocational Training' bulletin four times a year;
- b) distributes its publications (see list in annex III);
- c) organises seminars and working groups.

3. What are the key problems encountered by the Centre that have hindered it in its work ?

Answer: The quadripartite structure of the Centre, while constituting its institutional strength, also implies a higher degree of negotiation in all phases of its activity. This, in turn, requires new procedures to be experimented, whereby the Centre has few precedents to go on.

The geographic decentralisation in respect of the seat of the Community institutions increases time spent travelling and limits permanent contacts.

The financial provisions applying to the Centre, on organisation of 35 people, are based on the Financial Regulation (1973) applicable to the general budget of the European Communities, whose staff is in excess of 15,000 units. The result is that the Centre's procedures are at times unnecessarily cumbersome.

The structure of the staff which the Centre was granted on being established did not entirely correspond to its needs e.g. it did not reflect the fact that the Centre, being an autonomous body, has to have a complete administrative structure of its own. In the meantime, some improvements have been achieved.

4. Would the Centre indicate all the differences between its financial provisions and those set out in the financial regulation applicable to the general budget of the European Community? Are these differences essential to the smooth operation of the Centre?

Answer: The financial provisions applying to the Centre (Council Regulation No 1416/76, OJ L16, 24.6.1976, p.1) are based on the Financial Regulation applicable to the general budget of the EC of 1973, and thus differs from the new Financial Regulation of 21 December 1977 on the following main points:

A. Timetables for submission of documents:

- a) Art. 11 - Estimate of revenue and expenditure: 31 March (Community Institutions: 1 July) of each year,
- b) Art. 68 - Accounts: 31 March (1 June),
- c) Art. 73 - Submission of the accounts to the discharge authority: 31 October (30 November).

B. The Centre's accounts may be kept in the currency of the country where the Centre has its seat (Art. 56), whereas the Community's accounts are kept in European Units of Account (Art 63.).

C. Form changes: The Centre's financial provisions still refer to the 'unit of account' (Art. 10) and to the 'Audit Board'.

D. Granting of discharge: Art. 74 of the financial provisions state that discharge is granted to the Centre by the Council and the European Parliament.

E. Transfers of appropriations between chapters: these are approved by the Commission acting on a proposal of the Management Board.

F. Purchases and Contracts: The financial provisions applying to the Centre require that all contracts involving amounts exceeding 12,000 units of account shall be authorised by the Management Board.

With the exception of point B. none of these differences is essential to the smooth operation of the Centre.

5. As regards social security provisions, could the Centre describe the arrangements which apply to its employees? What disadvantages, if any, have resulted from these separate measures?

Answer: Article 38(1) of Council Regulation (ECSC, EEC, Euratom) No 1856/76 of 29 June 1976 laying down the conditions of employment of the Centre's staff⁽¹⁾ states:

"So that staff members are insured against sickness, accident, invalidity and death and can build up a retirement pension, they shall be subject to the social security laws in force in the Member State in which they are employed.

However, as regards the provisions other than those relating to family allowances (regulations for the granting of which are provided for in annex IV), staff members may choose between the legislation of the aforesaid Member State, that of the Member State to which they were last subject or that of the Member State of which they are nationals."

At present five different systems of social security are applied.

As regards the social security system applicable to staff of the EC institutions the following comments can be made:

- A. Sickness Insurance: The German system ensures 100 % coverage of costs sustained. As in Germany, staff covered by other national schemes have also to apply to the German insurer (AOK), they also benefit from the same scheme.
- B. Pensions: In principle, the Community system is more favorable because pension is related to basic salary in its entirety whereas national systems have a ceiling.

On the other hand, the Community requirement of a minimum of 10 years' service to be entitled to a pension constitutes an important negative aspect. For example, a German staff member leaving the Centre before 10 years is not entitled to transfer his pension rights to the German insurer (BfA) and thus is required to accept a smaller pension; the severance grant he receives cannot be considered as an acceptable equivalent.

- C. A considerable amount of work is involved in calculating salaries when, as in the past, the Council introduces retroactive changes and these touch on social security dues. Also, having to apply 5 different social security systems is quite cumbersome.

¹ OJ No L214, 6.8.1976, p.1

6. How has the recruitment been carried out? Has there been any significant movement of personnel? If so, what factors contributed to the movement?

Answer: The guidelines for the recruitment of staff were laid down as follows by the Management Board at its second meeting on 5-6 February 1976:

"As far as the recruitment policy is concerned only experienced and highly qualified staff, supplemented by experts from outside the Centre will be employed. Staff with practical, administrative and pedagogic experience, as well as scientific qualifications, will be selected to secure for the Centre a working team which will be able to attain a high degree of efficiency and thereby justify the existence of the Centre.

In building up the staff, a balanced representation from the member countries, consisting of men and women of different age groups will be selected to ensure that provision is made for career development and the continuing success of the Centre."

These guidelines have been implemented.

Since the Centre was established only three people have left: two for personal reasons, the third at the request of the Ministry he came from.

7. Are the responsibilities and work loads of the employees of the Centre laid down clearly and are these reviewed at regular intervals ?

Answer: Concerning operational activities each project is assigned to an expert responsible to the directorate. The duties of staff serving in the library/documentation service are laid down in a job description.

The language service is placed under the responsibility of a grade A staff member (translator). A job description defines the duties of each member of this service.

A grade A staff member is in charge of administration, finances and general services. Here too, job descriptions define each person's duties.

Procedures concerning incoming mail, meetings, missions, study contracts etc. have been established in writing.

Tasks, rules and procedures are constantly reviewed and adjusted by the directorate in the light of the necessities arising out of the Centre's activities.

8. Has the Centre got conference facilities of its own and, if so, do these generate lettings incomes ?

Answer: The Centre's conference facilities include one room with a seating capacity of 54 and interpretation equipment for 6 x 6 languages and two smaller conference rooms.

As the Centre has been granted the use of its building rent-free from the Berlin Senate it has not charged rent to external bodies using its facilities limiting its financial demands to the reimbursement of maintenance costs.

9. Could a list of the Centre's publications be supplied? Are these charged for ?

Answer: Annex III contains a list of the Centre's publications. A list of available publications appears regularly in the 'Vocational Training' Bulletin. Up to now, the Management Board's policy has been not to charge for the Centre's publications. The Board has, however, recently set up a working party to examine the Centre's information policy including all aspects of free distribution vs. charging.

10. What are the decision-making procedures of the Centre? Is unanimity required before publication is agreed on and, if so, does this hamper the work of the Centre ?

Answer: No formal decision of the Management Board is required for individual publications, the printing or reproduction costs are governed by Art. 48 of the financial provisions. However, as the yearly work programme mentions all publications envisaged and as all parties represented on the Management Board normally take part in the seminars and working groups organised by the Centre, the Management Board is informed on publication work being done.

11. Is the staff limited to fulfilling a coordinating role in achieving the aims of the Centre ?

Answer: The Centre staff develop study and observation activities, encourage the exchange of information and experience and facilitate a concerted approach to vocational training problems.

Studies are normally commissioned, but the Centre's staff actively intervene to establish the aims, contents and methodology, closely follow progress in this field by organising working groups, subject and all

external reports to a critical analysis. The staff also organise seminars, subsequently exploiting the results achieved. They prepare publications and are involved in establishing a Community-wide network of experts and institutions to assist the Centre.

12. Has there been any development in regard to the application of cost-benefit analysis (or similar techniques) to the working of the Centre?

Answer: The functioning of the Centre is subject to constant review, especially as concerns the most efficient employment of available staff.

The Centre has started assessing the operating costs (i.e. expenditure charged to Chapter 3 of the budget) of its projects.

The Centre is also constantly evaluating its expenditure in all areas and takes all possible steps to reduce costs.

13. Could the accounts for the Centre for the years 1975, 1976, 1977 and 1978 be provided in the following format:

Receipts

Subsidy from the Commission of the EC

Bank interest

Other

Expenditure:

1. Final budget appropriations
2. Commitments
3. Appropriations unused (1-2)
4. Payments
5. Appropriations brought forward from previous year
6. Payment from appropriations brought forward
7. Unused appropriations brought forward
8. Appropriations

Answer: For the accounts for the financial years 1975 - 1979 see Annex IV.

14. Could the degree of underspending of appropriations be explained ?

Answer: The degree of underspending is related to

- a) the recruitment of staff, and
- b) the time necessary to implement all aspects of the Centre's work programme.

The director took up his duties on 1 January 1976, the first vocational training expert on 1 September 1976. Recruitment of all staff was practically completed by November 1977.

As a result, expenditure of appropriations for staff (Chapter 1) has developed as follows:

| | |
|--------|----------|
| - 1976 | 63,62 % |
| - 1977 | 86,42 % |
| - 1978 | 96,42 % |
| - 1979 | 94,96 %. |

It was only after the completion of staff recruitment that the Centre was able to fully implement all aspects of its work programme, i.e. expenditure for pilot studies and projects attained a satisfactory level in 1978 whereas the subsequent dissemination of the information thus collected reached a new peak in 1979. The percentage of appropriations used in Chapter 3 increased as follows:

| | |
|--------|----------|
| - 1976 | 58,90 % |
| - 1977 | 59,58 % |
| - 1978 | 62,07 % |
| - 1979 | 94,73 %. |

15. Would the Centre explain the shifts in the ratios between expenditure on staff, administrative expenditure and operational costs over the years 1975-1978 ?

Answer: The pattern of the Centre's expenditure has developed as follows (in % of total expenditure):

| | 1975 | 1976 | 1977 | 1978 | 1979 |
|------------------------------|-------|-------|-------|-------|-------|
| - Staff | 0,11 | 39,58 | 52,95 | 59,64 | 51,99 |
| - Administrative expenditure | 99,89 | 34,55 | 18,62 | 9,16 | 9,24 |
| - Operating expenditure | | 25,87 | 28,43 | 31,20 | 38,77 |
| Total | 100 | 100 | 100 | 100 | 100 |

Fitting out the Centre's premises constituted the main single item of expenditure in 1975 and 1976 and still played an important role in 1977; since 1978 administrative expenditure has remained below 10 % of the total expenditure.

For the explanation of the constant increase of operating expenditure see point 14 above.

16. What are the arrangements in regard to cash management? Are the best rates of interest obtained ?

Answer: In accordance with Article 26 of the financial provisions applying to the Centre, the E.C. subsidy is paid in quarterly instalments. This means that, as a rule, on receiving each payment the Centre has at its disposal money covering three months' expenditure. The amount not immediately required is transferred to a deposit account and has the benefit of roughly the same interest rates as those granted to the Commission in Germany. Particular attention is paid to avoiding instalments being paid when sufficient cash is available.

17. What has been the pattern of transfers between chapters and within chapters and what is the authorisation procedure ?

Answer: Transfers of appropriations between chapters have occurred on two occasions only, viz. in 1975 (U.A. 99.535) and in 1977 (U.A. 110 000) and were connected with the fitting out of the Centre's premises. The Centre's budget had not made adequate provision for this item as the extent of the work required had been underestimated at the time the budget was drafted.

Transfers of appropriation within chapters are listed in annex V.

In 1975 all transfers were connected with the fitting out of the premises.

In 1976 transfers in Chapter 1 were mainly due to under-estimation of translation work, expenditure on staff recruitment and mission expenses. In Chapter 2 funds had to be provided for the installation of interpretation equipment and increased for the purchase of furniture. In Chapter 3 appropriations for the circulation of information had to be increased.

In 1977 transfers in Chapter 1 were occasioned by the Council's revision of the salary structure and by under-estimation of translation work, daily allowances and missions. The main underestimations in Chapter 2 concerned electricity and heating, fitting out of premises and stationery. No transfers took place within Chapter 3.

In 1978 minor adjustments were made in the items concerning salary, larger amounts were transferred for translations and missions. In Chapter 2 over 50 % of all transfers were occasioned by the need to increase appropriations for water, electricity and heating; minor transfers were required for cleaning and maintenance, stationery and telephone costs. In Chapter 3 expenditure for pilot studies and projects had been underestimated.

In 1979 the appropriations for translations and other services and for missions had to be increased in Chapter 1. In Chapter 2 the need for furniture (mainly for filing purposes) and technical equipment had been underestimated. Almost three quarters of all appropriations transferred in 1979 were moved in Chapter 3 where the amount of information available for circulation and the costs of this operation had been grossly underestimated.

**Procedure for the authorization of transfers of appropriations
(Article 21 of the financial provisions):**

A. Transfers from chapter to chapter:

- a) The director submits a draft proposal to the Financial Controller,
- b) the Financial Controller attests that the appropriations are available,
- c) the draft proposal is submitted by the director to the Management Board,
- d) the Management Board proposes the transfer to the Commission,
- e) the Commission has one month's time to act.

B. Transfers within chapters:

- a) Transfers of amounts not exceeding EUA 4 000:
 - i. The director submits a draft proposal to the Financial Controller,
 - ii. the Financial Controller attests that the appropriations are available,
 - iii. the director authorizes the transfer.
- b) Transfers of amounts over EUA 4 000:
 - i. The director submits a draft proposal to the Financial Controller,
 - ii. the Financial Controller attests that the appropriations are available,
 - iii. the draft proposal is submitted by the director to the Management Board,
 - iv. the Management Board authorizes the transfer.

18. Would the representatives of the Centre care to offer any observations on the presentation and the layout of the estimates ?

Answer: The Centre would like to make two points:

- A. The Centre is required to send its Estimate of Revenue and Expenditure for the following financial year to the Commission not later than 31 March of each year, whereas the detailed work programme is adopted by the Management Board at its meeting in November-December, that is 8 months after the draft budget has been submitted. As a result it is difficult to accurately estimate operating expenditure (Chapter 3).
- B. The heading of Article 117 ("supplementary sources") is misleading: the Centre is required to apply the rules governing the languages of the European Communities. To achieve this requirement the Centre has been granted four translators and no interpreter. It is evident that the free-lance interpreters and translators the Centre has to call on are the main source of the relevant services and cannot be defined as "supplementary". The Centre believes that, in so far as these services are directly related to the implementation of its work programme and are not provided by its staff, their costs should be included in Chapter 3 of the budget.
19. How many meetings of the various organs of the Centre were held in each of the years 1975, 1976, 1977 and 1978 ?

Answer: The Centre is administered by its Management Board. The Board's Chairman and Vice-Chairmen form the Bureau. These bodies held the following meetings:

| | 1975 | 1976 | 1977 | 1978 | 1979 |
|------------------|------|------|------|------|------|
| Management Board | 1 | 4 | 2 | 3 | 4 |
| Bureau | | 7 | 7 | 7 | 9 |

The number of Bureau meetings given above also includes the meetings held the day before the Management Board meets.

20. How many seminars and working groups have been held in each of these years ?

Answer: The number of seminars and working groups organised by the Centre is as follows:

| | 1975 | 1976 | 1977 | 1978 | 1979 |
|----------------|------|------|------|------|------|
| Seminars | - | 1 | 6 | 2 | 1 |
| Working groups | - | 5 | 24 | 44 | 44 |

21. What is the situation in regard to translation and interpreting services? What is the scale of this work and how much of it is farmed out? What percentage is done in the Centre itself ?

Answer: A. Translation

The number of pages translated has increased as follows

| | Total*) | Internal translation pages | % of total |
|------|---------|-------------------------------|------------|
| 1976 | | | |
| 1977 | 3 000 | 870 | 29,0 % |
| 1978 | 7 712 | 1 342 | 17,4 % |
| 1979 | 16 000 | 1 603 | 10,0 % |

Since mid-1979 the Centre has had four translators, compared with six official Community languages. Two further posts have been requested in the 1980 budget. Even with six translators the situation will remain highly unsatisfactory because

- a) one translator per language is not enough to ensure translation into his own language from all the other five Community languages;
- b) the Centre's translators' work load is excessive as it includes
 - i. translation of urgent or confidential documents,
 - ii. translation of technical documents (e.g. annual report, work programme, budget, accounts) whose terminology would cause freelance translators too great difficulties,

*) Translators were engaged 1 July, 1 August and 1 October 1977. No statistics were kept before 1.7.1977. Figures for 1977 are limited to July-December. Total figure for 1979 is approximate.

- iii. organization of the translation of a 6 language quarterly publication (the "Vocational Training" Bulletin)
- iv. assisting freelance translators in all terminology matters,
- v. controlling and revising freelance translations.

As emerges from an expert opinion established for the Centre by the Commission services (DG IX-D), the language service should have

- a) one post per language
- b) above and beyond a) a head of service
- c) a second post for the most frequently used languages.

B. Interpretation

The Centre's list of posts does not provide for interpreters.

Two of the Centre's translators are also professional conference interpreters. These persons are in charge of organizing the interpreters' teams for all the Centre's meetings requiring interpretation. Work in this area has been as follows:

| | 1978 | 1979 |
|--------------------|------|------|
| - conferences | 54 | 54 |
| - conference days | 65 | 86 |
| - interpreter days | 491 | 597 |

There are no problems in this field.

22. What is the situation in regard to telex, telephone and postal services? How much have these cost in the years under consideration? Have special rates of charges been secured?

Answer:

Expenditure on postage, telephone and telex has been as follows:

| | 1976 Units of Account | 1977 Units of Account | 1978 European Units of Account | 1979 Units of Account |
|---------------------|--------------------------|--------------------------|-----------------------------------|--------------------------|
| Postage | 986,95 | 4 440,43 | 7 062,57 | 13 031,06 |
| Telephone/ Telex | 8 196,46 | 17 906,52 | 30 625,55 | 33 586,95 |

The German Post Office does not grant special rates to organisations such as the Centre.

The situation in regard to these services is satisfactory.

23. Has a documentation service been built up and do the general public - or specialised interests - consult it?

Answer:

- . The documentation service being small in size, it is used mainly by the Centre's staff. Specialized readers from outside are welcome and the service is expanding at a constant pace.

At the end of 1979 the Centre's library included some 8 000 documents, 4 450 of which have already been indexed on the basis of a Thesaurus set up for the Centre.

24. What areas of research are being given priority?

Answer:

The Centre's 1980 work programme includes the following items which take into account the priority needs indicated by the Commission:

- a) Women: survey on training innovations, with a view to establishing a Community-wide network of correspondents on this subject;
- b) Migrant workers: second generation. The study conducted in the Federal Republic of Germany should be repeated in Belgium, France and the United Kingdom;
- c) The consequences of technological development for vocational training. This subject should be extended to micro-processors, its influence on vocational training should be examined in depth in a carefully chosen sector;
- d) Training and alternance;
- e) Approximation of training levels. The Centre is requested to ascertain which organisations issue certificates of vocational training and establish possible forms of cooperation
- f) Training of trainers (as a specific subject or as a consideration within other subjects);
- g) Transition from school to work: The Centre should keep in close touch with Ifaplan, entrusted by the Commission with the coordination of 34 pilot projects,

- h) The observation/information function. The Commission is establishing a Community-wide network operation for quick answers to educational policy questions which could be extended to include the Centre;
- i) Comparative study of training systems;
- j) Continuing training;
- k) Training and new activities.

The implementation of this programme also depends on the amount of the subsidy to be granted to the Centre in 1980 and the date on which this is granted.

The Centre keeps in constant touch with the Commission so as to avoid any duplication.

25. Could some comments be made on the longer-term evolution of the Centre's work?

Answer:

At the beginning of 1980, after three years of intensive activity, the Centre has obtained initial results from the studies it has initiated and via the numerous contacts it has established. The 1979 annual report draws a balance.

At the beginning of 1980 the Centre will enter a second phase in the development of its work, to which the activities in 1981¹ will be oriented:

- Work related to specific target groups (youth, women, migrant workers) and to the systems of vocational training in the Member States will provide the basis for the development of instruments of observation. Selective surveys are to be carried out on the effects of measures undertaken in the individual countries, and on the conclusions to be drawn from pilot projects. Work is also to be carried out on the development of statistics. The aim is to establish a sound basis for reporting on existing situations and their development, but also for their analysis.

¹The Centre is required to adopt its work programme on an annual basis only (Art. 8 of Regulation No 337/75). The medium-term considerations presented above are the result of the Centre's work up to now.

- Using the results of such surveys and pilot projects (as related to specific target groups, continuing training, the structure and mechanisms of the various vocational training systems) it is planned to develop the exchange of information and experience amongst the Member States. In this connection, the Centre intends to assume in full its assigned function as a forum.
- Subsequent to the initial experimental survey conducted in the construction sector in 1979 and 1980, the consequences of technological development on the labour market, qualifications and vocational training are to be studied successively in a number of sectors of the economy, with special reference to the influence of the combined development of microprocessors and visual display terminals.
- Greater attention is to be devoted to the dissemination of information on current trends and the significant results of the continual observations of the Centre; in this connection the important contributions made by national or international institutions will play a considerable role.

The Centre will also continue its efforts to disseminate the results of its own work.

(b) Specific questions arising from the work of the Court of Auditors

26. What is the position of the Centre in regard to the introduction of the computer, following (a) the report of the Court of Auditors on the 1978 accounts, and (b) the letter of the President of the Court of Auditors of 19 October 1979?

Answer:

The points raised by the Court of Auditors on the introduction of the Centre's computer in its Report on the 1978 account were taken up in greater detail in the Court's letter of 19 October 1979. The salient points dealt with in this letter are the following:

- A. The Court stresses that in the Centre's documentation relating to the computer installation there is no record of any attempt on the part of the Centre to examine possible improvements in the manual accounting system (e.g. reduction of duplicated recordings).

As the Centre's manual accounting system was developed with the help of the services of the Commission and in compliance with Council Regulation No 1416/76 on the financial provisions applying to the Centre, the Centre was of the view that it was not entitled to make radical changes. A limited amount of duplicated recording was necessary due to the existence of the "régie d'avances" (which, on the other hand, has been and is of great help in simplifying accounting procedures). The point to be stressed is that the amount of duplicated recording has never been great. The recourse to a programmable calculator or an addressograph would not have speeded up the manual system to the extent of the computer and would not have been able to do the same amount of work.

- B. The Court points out that there is no record of any examination of alternative computer equipment or of a competitive tendering procedure and that mini-computer installations exist which can be purchased for less than the cost of three months' rental of the Centre's equipment.

Whereas it is correct that no alternative computer equipment was examined, the Centre points out that due to its difficult staff situation it adopted the same equipment as another Community service because it intended to profit from the experience gained in every respect (e.g. validity of the equipment, programmes) by the aforesaid service.

The Centre submits that installations which can be purchased for less than the cost of three months' rental are not able to do the same amount of work as the IBM 32, including print out of monthly accounts, the situation of commitments, budgetary item situation etc.

- C. The Court states that the computer installation is considerably underutilised and that its basic capacity is far in excess of the Centre's requirements.

The Centre points out that the volume of operations with which the computer is required to cope has been increasing steadily. Since the Court's inspection, the computer has been programmed to work out arrears due to staff for salary increases; no steps have been taken concerning the calculation of these salaries due to the fact that

the Commission is preparing a draft Council Regulation modifying the Centre's conditions of employment. The Centre estimates that it would be a waste of time and resources to undertake further work on this point at present.

The Centre has completed trial runs for the production of project-related accounts concerning Chapter 3 and items 1170 (interpreters) and 1300 (missions). With the computer this can be achieved with the simple addition of a code number which reduces manual effort which would otherwise have required extra time and a new set of accounts.

The Centre is also examining further utilisation of the computer for its operational activities, including staff problems that may arise.

It is only after this examination has been completed that it will be possible to establish if the IBM 32 is the most suitable computer and the Centre will certainly take any action required.

- D. The Court states that Community book-keeping, particularly in a small body such as the Centre, is not so specialised as to involve high programming costs. The Court therefore does not accept that the quick adaptability of an existing programme justifies the Centre's choice of a particular installation.

The Centre points out that Community book-keeping differs fundamentally from German public and commercial accounting. This point was ascertained when the Centre examined the possibility of having its accounts kept by specialized firms. Given that it would not have been easy to adapt German programmes, programming costs would have been much higher and the lead-in time longer. The Centre is convinced that in taking over a system already in use with another Community service and bearing in mind the circumstances (staff savings, costs, lead-in time) it acted in accordance with its interests at the time. As stated under C, once the Centre has established what further work can be computerized, it will make any changes required.

E. The Court stresses that estimates of staff savings arising from computer installations are meaningful only if they are actually realized.

The Centre points out that staff savings have been realized to the following extent

- a) The secretary dealing with accounting paper work for 60 % of her time is now spending no more than 15 % of her time in this field;
- b) It has been possible to delegate the accounting officer to assist the Centre's experts in the administrative aspects of their work and to deal with other matters related to Chapter 3 of the budget.

Salary costs for these two items more than cover the rent of the IBM 32. Additional time is saved due to the elimination of multiple controls of figures etc.

27. What is the present position of the Centre in regard to the accounting for recoverable VAT which, according to point 1.3.3 of the ECA report on 1978, has "at least four disadvantages"?

Answer:

While the Centre finds the principle expressed by the Court quite acceptable, it would like to point out that its practice is in line with its own financial provisions and with the Financial Regulation applying to the general budget of the E.C.

In line with the Court's suggestions, the 1979 balance sheet includes an item "VAT to be recovered" on the assets side and an item "Revenue from VAT to be reused" on the liabilities side.

28. Has the Centre accepted the recommendation of the ECA in regard to signatures on payrolls (point 2.3.1 of the 1978 report)?

Answer:

In line with the Court's suggestion, the Centre's accountant confirms payment on the payroll list - analogous to the procedure for invoices.

29. Has the difference of opinion in regard to the consequences of the introduction of the EUA been settled (point 3.1 of the 1978 report)?

Answer:

The Centre believes that no difference of opinion exists between itself and the Court of Auditors on this point. In fact, in its comments on the Court's report the Centre "agrees ... that a decision is required as to what would be the procedure to be followed in the event of the Centre being obliged to call in the full amount of the subsidy which was calculated originally in national currency".

30. The Court of Auditors draws attention to the Vocational Training Bulletin of which 6,000 copies were printed but only some 2,000 were distributed. The Court of Auditors stated that it found "the cost of the publication excessive" (point 3.2.5). What is the reaction of the Centre to this observation?

Answer:

Circulation of the Vocational Training Bulletin is now in excess of 6 500 copies and further efforts are being made in this direction. The cost per distributed copy has thus been reduced drastically. A working party on the Centre's information policy set up by the Management Board has already dealt with the Bulletin. On the basis of decisions taken it is estimated that savings achieved will be in excess of 25 % of total costs in 1981.

31. What is the explanation for the non-inclusion of VAT among the assets in the balance sheet at 31.12.1978?

Answer:

The Centre did not include recoverable VAT in its balance sheet because the amount to be recovered can be different from the amount actually reimbursed by the authorities concerned.

The Centre has, however, accepted the Court of Auditors' point and included an appropriate item in its balance sheet at 31.12.1979.

32. What is the reply of the Centre to the point made by the Court of Auditors to the effect that the "proportion of staff concerned with internal administration" is on the high side?

Answer:

The Centre would like to point out that its "staff concerned with internal administration" does not only deal with matters that can be defined as administrative in a narrow sense (e.g. accounting and personnel matters) but is in charge of procurement, premises, maintenance of technical and office equipment, technical services related to conferences. Thanks to the introduction of the computer, it has been possible to delegate one of the persons concerned to take care of all aspects connected with the Centre's publications (expenditure on this item increased by 242,5 % in 1979) and to assist the vocational training experts in the drafting of the financial conditions applying to study contracts.

The Centre would also like to stress once again that the work connected with keeping abreast of, and applying, 5 systems of social security is highly time-consuming.

PUBLICATIONS OF THE EUROPEAN CENTRE FOR THE DEVELOPMENT OF VOCATIONAL TRAININGAvailable publications

- Youth Unemployment and Vocational Training
- A Conference Report - 1977, 268 pp.
- Information and Documentation as a Task and a Need of the Centre
- Proceedings of the Seminar - 1977, 156 pp.
- Equal Opportunities and Vocational Training
- Seminar Report - 1977, 24 pp.
- Emergency Measures for the Employment and Training of Young People
in the European Community - 1978
- Occupational Choice and Motivation of Young People - Their Vocational
Training and Employment Prospects - Member State Reports - 1978
- Brochure on CEDEFOP, 1979, 6 pp.
- Migrant Workers - Bibliography - 1979, 78 pp.
- Hegelheimer, Barbara
Chancengleichheit in der Berufsbildung - Bildungs- und arbeitsmarkt-
politische Maßnahmen zur beruflichen Förderung von Frauen in der
Bundesrepublik Deutschland - 1979, 387 pp. Only in German
- Continuing Education and Training - File of Innovations in the EC-
Member States - 1979.

Publications in print

- Vocational Training to Improve Opportunities for Migrant Workers
Migrants and Return Flows
Background Conditions and Amenability to Occupational and Social
Mobility Processes in the European Context
- Vocational Training in Europe - "Who's Who?"
- Training and New Activities
- The Relationship Between Job Structures, Qualifications and Vocational
Training Systems
- Occupational Choice and Motivation of Young People - Their Vocational
Training and Employment Prospects - Synthesis Report

- Comparative Study of the Financial, Legislative and Regulatory Structure of Vocational Training Systems in the Federal Republic of Germany, France, Italy, the United Kingdom
- Jaarman, R; Leeman, Y.
Gelijke kansen in de beroepsopleiding - Maatregelen op het gebied van het opleidings- en arbeidsmarktheid voor de verbetering van de beroepspositie van vrouwen in Nederland. Only in Dutch
- Nørregaard, G.; Petersen, B.; Valbjørn, L.
Lige muligheder i erhvervsuddannelsen - Uddannelses- og arbejdsmarkedspolitiske foranstaltninger til støtte for selvhvervende kvinder i Danmark. Only in Danish
- Aribaud-Duquenoy, H.
Egalité des chances et formation professionnelle - Actions de formation en faveur de l'emploi et de la promotion professionnelle des femmes en France. Only in French
- Alexander, M. C.R.
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Berlin, December 1979

EUROPEAN CENTRE FOR THE DEVELOPMENT OF VOCATIONAL TRAINING
Accounts for the financial years 1975, 1976, 1977, 1978 and 1979

| | 1975 U n i t s | c f | 1976 a c c o u n t | 1977 | 1978 European Units | 1979 of Account |
|---|-------------------|-----|-----------------------|--------------------------|--------------------------|--------------------|
| A. Receipts (Total) | 408 000,00 | | 819 595,25 | 1 495 285,08 | 2 306 113,61 | 3 042 469,19 |
| 1. Subsidy from the Commission of the E.C. | 408 000,00 | | 773 397,30 | 1 475 557,57 | 2 290 656,18 | 3 026 036,46 |
| 2. Bank interest | - | | 46 197,95 | 18 158,44 | 12 643,24 | 12 879,36 |
| 3. Other | - | | - | 1 569,07 | 2 814,19 | 3 553,37 |
| B. Expenditure | | | | | | |
| 1. Final budget appropriations | 408 000,00 | | 1 183 916,00 | 2 002 000,00 | 2 802 800,00 | 3 220 000,00 |
| 2. Commitments | 408 000,00 | | 819 595,25 | 1 495 285,08 | 2 306 113,61 | 3 042 469,19 |
| 3. Appropriations unused (1-2) | - | | 364 320,75 | 506 714,92 | 496 686,39 | 177 530,81 |
| 4. Payments | 23 366,00 | | 510 409,51 | 1 153 030,61 | 1 903 852,61 | 2 308 396,96 |
| 5. Appropriations brought forward | - | | 384 634,00 | 309 185,73 | 499 326,88 ^{*)} | 402 261,00 |
| 6. Payments from appropriations brought forward | - | | 384 618,12 | 199 178,04 | 300 243,01 | 354 377,34 |
| 7. Appropriations brought forward to be cancelled (5-6) | - | | 15,88 | 110 007,69 | 199 083,87 | 47 883,66 |
| 8. Appropriations carried forward | 384 634,00 | | 309 185,73 | 342 254,47 ^{*)} | 402 261,00 | 734 072,23 |

^{*)} Appropriations carried forward (B.8/1977) expressed in U.A., appropriations brought forward (B.5/1978) expressed in E.U.A.

ANNEX V

EUROPEAN CENTRE FOR THE DEVELOPMENT OF VOCATIONAL TRAINING

Transfers of appropriations within chapters
in the financial years 1975, 1976, 1977, 1978 and 1979

| Art./ Item | Heading | 1975 Budget of Account | | | 1978 European Units of Account | | 1979 European Units of Account | |
|---------------|---|---------------------------|----------|-----------|-----------------------------------|-----------|-----------------------------------|------|
| | | 1975 | 1976 | 1977 | 1978 | 1979 | 1978 | 1979 |
| 1100 | Basic salaries | - | 19 000 | + 220 800 | - 70 000 | - 21 000 | | |
| 1101 | Family allowances | - | 1 000 | + 9 800 | - 13 000 | - 2 300 | | |
| 1102 | Expatriation allowances | - | 1 000 | + 10 600 | - 15 000 | - 3 400 | | |
| 1112 | Local staff | | | - 14 000 | - 10 000 | + 4 000 | | |
| 113 | Employer's social security contributions | | | - 19 480 | - 12 500 | + 3 700 | | |
| 1140 | Childbirth allowances | | | + 170 | | | | |
| 1141 | Travel exp. on annual leave | | | + 4 330 | - 18 000 | + 1 200 | | |
| 1144 | Fixed travel allowances | | | - 720 | | | | |
| 115 | Overtime | | | | - 2 000 | - 1 000 | | |
| 116 | Weightings | | | - 306 000 | + 12 000 | | | |
| 1172 | Other services | | + 20 000 | + 44 000 | + 44 000 | + 24 000 | | |
| 120 | Expenditure on staff recruitment | | + 10 000 | | | + 4 000 | | |
| 122 | Installation allowances | | | | + 3 000 | - 19 200 | | |
| 123 | Removal expenses | | | - 2 000 | - 2 000 | - 8 000 | | |
| 124 | Temp. daily subsistence allowances | | | + 12 000 | | - 11 000 | | |
| 130 | Mission expenses | | + 10 000 | + 18 000 | + 70 000 | + 20 000 | | |
| 143 | Medical service | | | + 2 000 | + 2 500 | | | |
| 144 | Language courses | | + 1 000 | | + 11 000 | + 9 000 | | |
| 210 | Rent | - 20 000 | - 5 400 | | | | | |
| 211 | Insurance | | - 1 500 | | | | | |
| 212 | Water, gas, electricity and heating | | - 7 300 | + 19 500 | + 26 500 | - 2 596 | | |
| 213 | Cleaning, maintenance | | - 4 800 | | + 8 085 | | | |
| 214 | Fitting out of premises | + 157 196 | | + 25 000 | | | | |
| 219 | Other expenses | | - 5 600 | - 4 000 | - 1 500 | | | |
| 220/3 | Movable property and ancillary expenses | - 60 000 | | | | | | |
| 2200 | Office machinery - Initial equipment | | + 13 000 | + 3 500 | - 1 000 | + 3 500 | | |
| 2203 | Office machinery - Maintenance | | | | - 900 | | | |
| 2210 | Furniture - Initial equipment | | + 42 000 | + 2 000 | - 610 | + 15 996 | | |
| 2220 | Techn. equipment - Initial | | + 53 100 | + 1 550 | | + 6 100 | | |
| 2222 | Techn. equipment - Hire | | - 900 | | | | | |
| 2223 | Techn. equipment - Maintenance | | | + 2 250 | - 2 400 | - 3 500 | | |
| 2230 | Transport equipment - Initial | | + 1 000 | | | | | |
| 2231 | Transport equipment - Renewal | | - 1 000 | | | | | |
| 2233 | Transport equipment - Maintenance | | - 1 750 | - 2 000 | - 1 500 | | | |
| 2252 | Subscriptions | | - 2 850 | - 1 300 | - 500 | | | |
| 2254 | Binding and storage | | - 950 | - 700 | - 700 | | | |
| 230/1 | Current administrative expenditure | 30 000 | | | | | | |
| 230 | Stationery | | | + 11 000 | + 7 550 | | | |
| 2310 | Postage | - 10 000 | | - 18 500 | - 2 437 | | | |
| 2311 | Telephone, Telex | - 11 500 | | - 8 000 | + 6 126 | | | |
| 2321 | Exchange loss | | | | + 271 | | | |
| 2390 | Miscellaneous insurance | | + 100 | + 950 | - 1 200 | | | |
| 2393 | Departmental removals | | - 2 000 | + 500 | | | | |
| 2394 | Petty expenses | | + 1 000 | + 5 500 | - 2 350 | | | |
| 240 | Representation expenses | | - 1 300 | | + 1 000 | | | |
| 250 | Management Board meetings | - 716 | - 15 000 | - 10 750 | - 23 400 | - 19 500 | | |
| 251 | Formal and informal meetings | 16 480 | - 29 500 | - 30 500 | + 2 400 | | | |
| 270 | Publications | | | | - 13 435 | | | |
| 300 | Establishment of operational documentation | | | | | - 25 000 | | |
| 301 | Circulation of information | | + 20 000 | | | + 250 000 | | |
| 302 | Projects on the development and coordination of research work | | - 20 000 | | - 250 000 | - 225 000 | | |
| 303 | Pilot studies and projects | | | | + 250 000 | | | |