RESOLUTION (EU) 2021/1582 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Translation Centre for the Bodies of the European Union for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the Translation Centre for the Bodies of the European Union for the financial year 2019,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Culture and Education,

— having regard to the report of the Committee on Budgetary Control (A9-0084/2021),

A. whereas, according to its statement of revenue and expenditure [1], the final budget of the Translation Centre for the Bodies of the European Union (the 'Centre') for the financial year 2019 was EUR 45 750 404, representing a decrease of 2,95 % compared to 2018; whereas 86,72 % of the Centre's budget derives from direct contributions from institutions, other agencies and bodies;

B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Translation Centre for the Bodies of the European Union for the financial year 2019 (the 'Court's report'), states that it has obtained reasonable assurance that the Centre's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes that budget monitoring efforts during the financial year 2019 resulted in a budget implementation rate of 93,03 %, representing a decrease of 1,91 % compared to the previous year; notes that the payment appropriations execution rate was 85,11 %, representing a decrease of 2,82 % compared to 2018;

2. Urges the Centre to adopt a sustainable business model in accordance with its two-year transformation plan devised following the external study entitled 'Study on the Translation Centre as the linguistic shared service provider for the EU Agencies and Bodies'; notes that, according to the Centre's follow-up report to the discharge for the financial year 2018, in 2019 the implementation of the transformation plan and underlying projects was monitored and reported; encourages the Centre to fully implement those actions which would help adapt the new business model to technological developments;

3. Notes with concern that the Centre had not completed the anti-fraud plan which was targeted to be implemented by the end of 2018; notes that actions not finalised in the 2018 anti-fraud plan have been added to the set of new measures in the 2019-2020 anti-fraud plan and were planned to be completed by the end of 2020; recommends that the Centre inform the discharge authority about postponed actions and their effect on the fraud risk that the Centre would be exposed to;

4. Regrets that some of the founding regulations of the other agencies do not require them to use the services of the Centre and recalls the fact that the Centre, based on its founding regulation, responds to the language service needs of Union bodies, offices and agencies;

5. Questions the benefit of having a management board composed of 72 people, which complicates decision-making;

6. Emphasises the importance of preserving and promoting multilingualism in the institutions, bodies, offices and agencies of the Union and the need to treat all official languages equally; acknowledges the invaluable contribution of the Centre's translation services to the smooth functioning of the institutions, bodies, offices and agencies of the Union and to making their work transparent and accessible to Union citizens in their respective mother tongues;

[1] OJ C 391, 18.11.2019, p. 57.

Performance

7. Notes that the Centre still primarily uses input and output indicators as key performance indicators to assess the results of its activities and several indicators to enhance its budget management; notes the revised *ex-ante* evaluation and the ongoing *ex-post* revision of the Centre's programmes and activities; invites the Centre to further develop the key performance indicators to assess the outcome and impact of its activities in order to gain qualitative advice on how to provide more added value for the Centre's output and improve the Centre's business model;

8. Notes that with 309 047 pages, the number of pages of documents translated, modified, edited and revised decreased by 16,2 % compared with 2018, which had been a record year, but recalls that this volume was 2,4 % higher than the forecast in the initial budget and 8,3 % higher than the forecast in the amended budget for 2019;

9. Welcomes the implementation by the Centre of a Translation Quality Assurance Action Plan for 2019-2020, the focus of which is to enhance the quality of the language services provided to clients and the Centre's operational efficiency;

10. Notes that the Centre positions itself as the linguistic shared service provider for the Union agencies and that its core task does not overlap with those of other agencies; notes further that the Centre joined efforts with the European Border and Coast Guard Agency and the European Environment Agency for the implementation of a common e-recruitment tool named 'Systal' and has regularly shared knowledge and experience with other Union agencies through the Agencies' Coordination Support Office and has participated in the meetings and activities of the EU Agencies' Network; recommends that the Centre inform the discharge authority about Systal and actively pursue sharing the use of this tool with other Union agencies; encourages the Centre to continue on this path of cooperation and sharing knowledge and experience;

11. Welcomes the fact that the Centre agreed, as part of its two-year transformation plan, on a cooperation programme with the European Union Intellectual Property Office consisting of five IT projects which are not only of strategic importance for both organisations but will also be of benefit to other Union agencies;

12. Welcomes the Centre's willingness to develop synergies with other agencies, such as through the implementation of Systal; calls on the Centre to continue to develop its synergies and to increase cooperation and exchanges of good practices with other Union agencies with a view to improving efficiency (human resources, building management, IT services and security);

13. Highlights the fact that the Centre has extended its client portfolio by signing cooperation agreements with the European High-Performance Computing Joint Undertaking, the European Labour Authority and the Commission's Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs;

14. Recalls the importance of increasing the digitalisation of the Centre in terms of internal operation and management and in order to speed up the digitalisation of procedures; stresses the need for the Centre to continue to be proactive in this regard in order to avoid a digital gap between the Union agencies at all costs; stresses, however, the need to take all the necessary security measures to avoid any risk to the online security of the information processed;

Staff policy

15. Notes that, on 31 December 2019, the establishment plan was 93,26 % implemented, with 48 officials and 132 temporary agents appointed out of 141 temporary agents and 52 officials authorised under the Union budget (compared to 189 authorised posts in 2018); notes that, in addition, 23 contract agents worked for the Centre in 2019;

16. Notes with satisfaction that a good gender balance was achieved in 2019 with respect to management positions (60 % male and 40 % female) and within the management board (53 % male and 47 % female); notes with concern that there is an underrepresentation of men in the Centre's overall staff (37 % male and 63 % female); asks the Centre to ensure gender balance at the staff level in the future;

17. Notes that the Centre has adopted a policy on protecting the dignity of the person and preventing harassment; notes with satisfaction that in 2019 the Centre adopted new guidelines for managerial development, which included training on harassment prevention in the career path of all the senior and middle managers, heads of section and potential managers;

18. Encourages the Centre to pursue the development of a long term human resources policy framework which addresses the work-life balance, the lifelong guidance and career development, the gender balance, the teleworking, the geographical balance and the recruitment and integration of people with disabilities;

Procurement

19. Notes with concern that, according to the Court's report, the Centre signed contracts with IT companies for the provision of IT services that contained an ambiguous formulation that could imply the assignment ('mise à disposition') of temporary agency workers instead of the provision of clearly defined IT services, which would not be in compliance with Union social and employment rules; further notes that in 2019 the total amount of payments made by the Centre in that regard amounted to a total value of EUR 1 207 560; notes the Centre's reply that that practice is performed under an interinstitutional framework contract; notes that a case of that practice is currently pending before the Court of Justice; recommends that the Centre follow the pending Court case and inform the discharge authority of the outcome and measures taken to comply with that outcome;

20. Notes, with regard to the follow-up on the previous year's Court's findings, that by the end of 2018 the Centre had introduced e-invoicing but had not yet introduced the e-tendering and e-submission tools launched by the Commission to introduce a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement); notes that the Centre put e-tendering in place in 2019 but that the launching of the e-submission has been delayed due to the COVID-19 crisis in 2020; calls on the Centre to introduce all tools to improve the management of procurement procedures and to report to the discharge authority on their implementation;

Prevention and management of conflicts of interest and transparency

21. Notes with concern that the Centre opted to publish only declarations of interests and not the CVs of its management board due to its size (approximately 130 members and alternate members); stresses the fact that other agencies publish the CVs of the members of their respective management boards even where those management boards have more members than that of the Centre; calls, therefore, on the Centre to publish the CVs of all the members of the management board and to report to the discharge authority on the measures taken in that regard; notes that the director's CV and declaration of interests have been published on the Centre's website;

22. Notes with concern that, although the Centre is not fee-financed, it depends on revenue received from its clients (the Centre has stated that 99,2 % of its income comes from fees paid by its clients), who are represented on the Centre's management board, and that there is therefore an inherent risk of conflicts of interest regarding the pricing of the Centre's products; notes that the Centre, as a mitigating measure for the budgetary consequences of such conflicts of interest, maintains a budgetary reserve ('reserve for the stability of prices') in order to balance the budget in the event of unforeseen events or reduced demand; notes that this is primarily a reactive measure and encourages the Centre to also develop preventive measures, making sure fair pricing is maintained for all the Centre's clients;

Internal controls

23. Notes that in 2019 the Internal Audit Service (IAS) of the Commission performed an audit on eCdT, the workflow management tool to manage clients' requests for translations, and concluded that the management and internal control systems set up by the Centre for the translation process and for eCdT are overall adequately designed, efficient and effective but that four important areas were identified in which improvements were recommended; notes that the Centre submitted an action plan to implement those recommendations, which was perceived by the IAS as adequate to mitigate the risks identified;

24. Notes that, following the self-assessment of internal control standards in 2019, it was concluded that internal control standards are present and effective but that the director concluded that the risk management process should be prioritised in order to improve its effectiveness and tasked the officer in charge of risk management and internal control coordination to provide a revision or update of several documents, such as the internal control strategy, the procedure on sensitive functions and the policy on risk management; notes that the Centre, in its consolidated annual activity report, uses both internal control standards and internal control principles to describe its activities in that area; recommends that the Centre take note of the Commission's revised Internal Control Framework, which was introduced in 2017, and align the wording in its consolidated annual activity report with the Internal Control Framework;

Other comments

25. Notes with concern the opinion of the Court, presented as 'other matter', that the Centre did not make appropriate disclosures in the final accounts on the impact of COVID-19 measures on the Centre's current and anticipated operations, as reasonably known at the date of transmission of the final accounts; requests that the Centre assess the impact and disclose the results to the budgetary authority;

26. Notes that the Centre did not experience any data breaches, as defined in Regulation (EU) 2016/679 ([2]), and that no complaints were addressed to the Centre's data protection officer; notes, however, that the Centre was not able to present the decision under Article 25 of Regulation (EU) 2016/679, aimed at ensuring data protection by design and by default, to the management board in 2019 due to the late receipt of the opinion of the European Data Protection Supervisor; urges the Centre to adopt that decision as soon as possible in order to act in full compliance with Regulation (EU) 2016/679;

27. Welcomes the Centre's efforts to provide a cost-effective and environmentally-friendly workplace and all the measures taken by the Centre to reduce its CO_2 emissions, its energy consumption and to develop a paperless workflow;

28. Welcomes the efforts made by the Centre to encourage the use of the free public transport system in Luxembourg and the initiatives taken to preserve the biodiversity;

29. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([3]) on the performance, financial management and control of the agencies.

([2]) Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

([3]) Texts adopted, P9_TA(2021)0215.