



**CEDEFOP**

European Centre for the Development  
of Vocational Training

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**CEDEFOP**

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## **CONSOLIDATED ANNUAL ACTIVITY REPORT (CAAR) 2016**

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REFERENCE: FR 1605/2002, FFR No 1271 /2013 <sup>(1)</sup>

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<sup>(1)</sup> REGULATION (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council.

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## GOVERNING BOARD'S ANALYSIS AND ASSESSMENT

### **Cedefop's Governing Board Analysis and Assessment of Cedefop's Consolidated Annual Activity Report (CAAR) 2016**

Article 47 of Cedefop's Decision of 9 January 2014 on the financial rules requires the Governing Board to send to the Court of Auditors, the European Commission, the Parliament and the Council the consolidated annual activity report (CAAR) of the previous financial year together with its assessment, no later than 1 July.

The Governing Board, based on its analysis and assessment of the Director's Consolidated Annual Activity Report 2016:

- takes note of Cedefop's report on the implementation of the annual work programme 2016, and in particular:
- welcomes the fact that Cedefop's work is well aligned with and highly relevant to the Commission's agenda for jobs, growth, fairness and democratic change, to achieving the Europe 2020 goal and to the European education and training policy agenda; more specifically, the 2016 Commission's Communication on a New Skills Agenda for Europe; acknowledges with satisfaction that the evidence and data resulting from the Agency's work and its expertise were used to underpin the Commission's Communication and its related Staff Working Documents;
- acknowledges the added value of Cedefop's continued support to the European Commission, Member States and social partners in their cooperation on VET within the so-called 'Copenhagen process' and the overall Education and Training 2020 framework through its research, policy analyses and expertise; in particular the Agency's contribution to the development, implementation, interaction and promotion of the common European tools and the analysis of trends in skill needs and skill mismatch across Europe;
- highly values the quality of the evidence produced by the Agency and in particular in 2016 the analyses provided on: skill needs and mismatch, adult learning and continuing vocational training and the role of VET in promoting excellence and innovation in the EU as well as preventing early leaving from education and training and supporting the economic and social integration of low-skilled adults; and acknowledges that sound evidence and data is the basis to help shape and implement policies and a *condition sine qua non* to support national reforms;
- welcomes the fact that Cedefop has continued to increase its support to Member States and social partners and addressed the needs of a wider range of actors by: conducting thematic country reviews on apprenticeships; organising policy learning fora and networking events; providing advice to Member States in applying common European tools and in developing skill needs anticipation methods and tools; providing practical guidelines that aid stakeholders in implementing the EU's objectives and priorities at





national level; and directly assists European citizens through the Europass CV, its web portal and other social media;

- acknowledges the added value of Cedefop's expertise in apprenticeship and other forms of work-based learning, validation of non-formal and informal learning and guidance that help individuals to gain higher skills and qualifications levels and manage better labour market transition, and which has informed EU-level initiatives such as the 2016 Council Recommendation 'Upskilling Pathways: New Opportunities for Adults' that Cedefop's evidence helped shape;
- the strong evidence the Agency has generated on future skills supply and demand, changing skill needs in times of digitalisation and skills shortage occupations;
- underlines the importance of Cedefop's contribution to the development of Europass and its high acceptance by European citizens as proved by statistics; and welcomes the further development of the Skills Panorama portal, which helps to understand trends in skills across the EU and the performance of skills systems, and the high level of satisfaction it achieves among policy-makers, researchers and guidance counsellors;
- acknowledges that the added capacity to Cedefop's Brussels office has had a positive impact on the Centre's visibility, its cooperation with the Commission, European Parliament, European social partners as well as with the Permanent Representations of Member States.
- takes note of Cedefop's good cooperation with EU Presidencies and its content support for VET-related events and activities, in particular regular background information and analyses provided for DGVT and ACVT meetings, as well as the joint Cedefop/Presidency seminars organised in Brussels.;
- acknowledges Cedefop's success in ensuring synergy and complementarity with ETF's and Eurofound's work, and in particular welcomes the initiative to joint forces and resources with the latter for the next European Company Survey; values the outcomes of the cooperation with the OECD, ILO, UNESCO, World Bank and other world-leading actors like the World Economic Forum;
- congratulates the Agency on its overall performance as attested by its indicators which confirm that it is a highly acknowledged centre of expertise in VET, qualifications and skills policies with high impact in its field of expertise thanks to the uniqueness of its research and policy analysis;
- takes note that Cedefop has further improved its performance measurement system (PMS) and put in place more efficient ways of collecting data and getting further indication of the impact the Agency's work has;
- notes that the 'other sources of assurance' functions (former internal audit capability - IAC) have been covered either by external contractors or by internal working groups and appreciates that this solution has been effectively applied and that it helped reduce



administrative costs, thus benefiting operational expenditure;

- is highly satisfied that the Agency has implemented all audit recommendations planned for 2016 and that no IAS critical or very important recommendations were open by 31 December 2016;
- congratulates Cedefop on the fact that the final report of the European Court of Auditors on the annual accounts 2015 confirms the regularity and legality of the underlying transactions in all material aspects;
- acknowledges the progress achieved in improving planning and monitoring, and particularly appreciates the high level of budget implementation realised again in 2016 (99.99%) and the establishment plan's occupation of 98%;
- acknowledges with satisfaction the European Parliament's appreciation of Cedefop's work and its report on discharge in respect of the implementation of the Agency's budget for the financial year 2015 but duly notes: (a) the risk flagged by the European Parliament that unforeseen (external) demands from stakeholders, including the Union's institutions, 'may be difficult to meet with the Centre's available resources'; and (b) the European Parliament's request to Cedefop to assess whether the recurring problems with the building call into question its economic viability as well as the safety and security of its staff;
- appreciates the fact that, throughout 2016, Cedefop's management has kept the Governing Board fully informed in various meetings of the Bureau on the finalisation of the Programming Document 2017-2020 - Work Programme 2017 and the preparation of the Programming Document 2018-2020 - Work Programme 2018 and, in particular, the work the Agency will undertake to support the implementation of the New Skills Agenda for Europe;
- takes note of the declaration of assurance of the Director and appreciates the information provided on all underlying building blocks for assurance that underpin the declaration;
- congratulates Cedefop's staff and management on the results achieved in 2016 to make the Agency more visible and more relevant to stakeholders; expresses its satisfaction and appreciation of their high level of commitment and quality of work; also acknowledges that Cedefop's staff and management have proved flexible in achieving a demanding work programme and meeting new requests despite financial and human resource constraints;
- confirms that the Governing Board's analysis of the Consolidated Annual Activity Report 2016 is positive and, in its opinion, provides the necessary assurance for the positive assessment of the results achieved by Cedefop in 2016.

29 June 2017

Micheline Scheys  
Chair of the Governing Board

## INTRODUCTION – CEDEFOP IN BRIEF

Cedefop is one of the EU's oldest decentralised Agencies. Founded in 1975 <sup>(2)</sup>, it relocated from Berlin to Thessaloniki, Greece in 1995. Cedefop supports the European Commission, EU Member States and social partners in developing and implementing vocational education and training (VET) policies.

Cedefop is governed by a Board made up of three delegates from each Member State representing the government, employers' and employees' organisations reflecting the tripartite relationships which are fundamental to successful VET; and three members representing the European Commission. The latter are nominated by the Commission, while social partner and government representatives are appointed by the Council. The Governing Board convenes once a year. To increase efficiency and reinforce supervision of content, administrative and budgetary management, the Governing Board has delegated decision-making powers to a small-sized Bureau in which all groups are represented (governments, social partners and Commission). The Bureau meets three/four times per year. Bureau decisions are taken by consensus. All documents in preparation for the meetings and for decision are made available via an 'online community network' open to all Governing Board members. If necessary, Governing Board decisions are taken by written procedure.

Cedefop is an independent European body, which receives by decision of the budgetary authority (European Parliament, Council) the majority of its funds in the form of a Union subvention. Its parent DG in the European Commission is the General Directorate for Employment, Social Affairs and Inclusion (EMPL) <sup>(3)</sup>. Cedefop receives additional revenues from the associated countries Norway and Iceland. Representatives of these countries also participate in the meetings of the Governing Board and Bureau as observers.

Cedefop's activities, for the reporting period, are guided by its Founding Regulation, strategic objective, and medium-term priorities (multiannual programme). Cedefop's strategic objective is to contribute to designing and implementing policies for an attractive VET that promotes excellence and social inclusion and to strengthening European cooperation in developing, implementing and analysing European VET policy. The strategic objective is supported by three medium-term priorities <sup>(4)</sup> that steer the activities of Cedefop's annual work programmes and ensure continuity of its work allowing the necessary flexibility to respond to changing needs:

- 1) Supporting modernisation of VET systems;
- 2) Careers and transitions – Continuing VET, adult and work-based learning;

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<sup>(2)</sup> Council Regulation of 10 February 1975 establishing the European Centre for the Development of Vocational Training (Cedefop) EEC No 337/75, Official Journal of the European Communities, L 39, 13.2.1975 as last amended by Council Regulation EC No 2051/2004.  
[http://www.cedefop.europa.eu/EN/Files/Consolidated\\_version\\_Founding\\_Regulation\\_EN\\_01975R0337-20041221-en.pdf](http://www.cedefop.europa.eu/EN/Files/Consolidated_version_Founding_Regulation_EN_01975R0337-20041221-en.pdf)

<sup>(3)</sup> Mission letter by President Juncker to Commissioner Thyssen of 1 November 2014  
[http://ec.europa.eu/commission/2014-2019/thyssen\\_en](http://ec.europa.eu/commission/2014-2019/thyssen_en). SEC(2014) 572 final (not publically available).

<sup>(4)</sup> Cedefop's medium-term priorities initially covered the period 2012-2014. They have been extended until 2015 by decision RB(2014)01117 of the Governing Board and until 2016 by decision RB(2015)00369.

3) Analysing skills and competence needs to inform VET provision.

**EXECUTIVE SUMMARY**

<b>Cedefop's Performance in 2016</b>
44 publications
47 contributions to EU-level documents; 4 to documents by international organisations
62 meetings/events organised - 1 699 external participants at Cedefop events
27 million visits to Europass website – 438 000 visits to Cedefop website - 50 000 visits to the EU skills panorama website
<p>483 references to Cedefop's work in 167 EU-level policy documents and 184 references in 88 documents issued by international organisations: OECD, UNESCO, ILO, World Economic Forum.</p> <p>Key EU policy users:</p> <ul style="list-style-type: none"> <li>• European Commission: 56%</li> <li>• European Parliament: 15%</li> <li>• EU agencies: 8%</li> </ul>
<p>191 contributions to EU senior stakeholder meetings that support policy implementation</p> <ul style="list-style-type: none"> <li>• Review of employment and social developments in Europe</li> <li>• New Skills Agenda for Europe seminar</li> <li>• The result orientation: Cohesion Policy at work. 7th European evaluation conference</li> <li>• Digital skills and jobs coalition launch conference</li> <li>• Vocational skills week events at EU level:               <ul style="list-style-type: none"> <li>○ European Business Forum on VET</li> <li>○ Adult Skills: Empowering people</li> </ul> </li> </ul> <p>78 contributions to other conferences and major events including keynote speeches and participation in discussion panels such as:</p> <ul style="list-style-type: none"> <li>• Global symposium for career guidance and counselling organisations</li> <li>• Labour market, economic and social outcomes of learning. INES Network meeting (OECD)</li> <li>• UNESCO Working Group on world reference levels for qualifications</li> <li>• Employer engagement in education and training 2016</li> <li>• Inspiration – Colleges and Institutes Canada 2016 conference</li> </ul>

<ul style="list-style-type: none"> <li>• Annual HRD forum organised by the Korean Government and KRIVET</li> </ul>
472 200 downloads of Cedefop publications
591 citations in academic literature in 2015-2016. Most frequently quoted topics are those related to skills supply and demand, validation of non-formal informal learning, lifelong guidance and learning outcomes.
98% occupation rate of the establishment plan 99.99% budget implementation rate Average payment time for invoices 14.01 days, well below the target of 28 days

‘Promoting talents’ and ‘tackling the skills challenge’ – two sides of the same coin – set the frame for Presidency and European Commission initiatives and events during 2016. They demonstrated that Cedefop’s work matches the current and future European policy agenda, and its expertise valued. This is a sign of trust as well as a challenge for the Agency in times of financial and human resource constraints.

In 2016, the Commission announced the New Skills Agenda for Europe ( <sup>5</sup> ).The Communication, supported by a comprehensive policy package, sets out the key policy priority for the European Union in 2017 and beyond. It centres around three strands of work and ten lines of action to promote skills development and better use of citizens’ skills and competences: improving quality and relevance of skills formation; making skills and qualifications more visible and comparable; and improving skills intelligence and information for better career choices. Cedefop was heavily involved in drawing up the policy package and participated in the launch and press event ( <sup>6</sup> ).

Information on labour market trends and their impact on skill needs and mismatch as well as findings of Cedefop’s work on empowering young people and adults **underpinned the Skills Agenda Communication ( <sup>7</sup> )**. The Agency contributed significantly to preparing the Agenda’s documents by pooling evidence and data generated in-house. The analysis of EU-level documents citing Cedefop work proves ample take-up of these contributions.

To help people make informed choices for their learning and career paths, the New Skills Agenda for Europe proposes, using the well-known Europass brand, to set up a platform that would offer web-based tools to document and share information on skills and qualifications together with data on skill needs and trends., Cedefop commented extensively on the proposed revision of the Europass decision and the corresponding staff working document. In this context, Cedefop’s prototype tool for web crawling and big data analysis to understand better the skills that employers demand also appears well in line with needs both at policy

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(<sup>5</sup>) New Skills Agenda for Europe  
<http://ec.europa.eu/social/main.jsp?catId=1223&langId=en&moreDocuments=yes>  
 [accessed on 15/02/2017]

(<sup>6</sup>) <http://skillspanorama.cedefop.europa.eu/en/blog/what-are-skills-future>. [accessed on 15/02/2017]

(<sup>7</sup>) <http://ec.europa.eu/social/BlobServlet?docId=15621&langId=en> [accessed on 15/02/2017]

and individual level, and has attracted the interest of Eurostat's big data task force and of national statistical offices.

Adults with a need to strengthen basic skills or more generally with a low level of knowledge, skills and competences are at the heart of 'Upskilling pathways: new opportunities for adults' <sup>(8)</sup> adopted at the end of the year. This Council Recommendation aims to ensure that adults with poor literacy, numeracy and digital skills get the chance to upgrade them to a minimum level and/or progress to credentials at European Qualifications Framework (EQF) level 3 or 4 (upper secondary qualification or equivalent). It thus complements the Youth Guarantee and the measures endorsed to support long-term unemployed. Making the case for targeted guidance and validating the knowledge, skills and competences people have, the Recommendation and the related staff working document reflect Cedefop findings in these areas as well as its work on low-skilled and work-based learning for adults more generally. At the same time, it proposes that the Agency 'could develop further relevant research, expertise and analysis' <sup>(9)</sup> to improve the evidence-base for policy making – the very purpose of Cedefop study on labour market information and guidance and, in particular, its work on the inventory and the conference on validating non-formal and informal learning.

Collaborating closely with the European Commission, the Agency also helped prepare the proposal for a review of the EQF <sup>(10)</sup> which is part and parcel of the New Skills Agenda for Europe. Its purpose is to ensure that the EQF objectives can be fully reached: to make qualifications transparent, comparable and portable. Cedefop co-drafted the staff working document supporting the EQF revision <sup>(11)</sup>. The substantial contribution of the Agency is rooted in its long-standing and internationally acknowledged expertise on qualifications, learning outcomes-based approaches and qualification frameworks. Evidence on how learning outcomes approaches influence education and training and relevant policies and the challenges they pose, supported this work. The findings of this study also informed discussions at Cedefop's second policy learning forum on defining and writing learning outcomes for VET qualifications.

The Skills Agenda for Europe includes support to Member States in their efforts to integrate the large numbers of refugees and recently arrived migrants into society and the labour market. Cedefop's support to the Commission's and national initiatives that aim at devising effective policies included the design of a template for documenting migrants' skills and co-organisation of two events: a peer learning activity together with the European Commission and the Dutch EQF national coordination point which focused on effective and efficient ways to identify and record their skills and competences; and a joint Cedefop-OECD expert forum on upskilling, reskilling and employing adult refugees.

Youth with migrant background are among the most likely to leave education and training without being sufficiently qualified to succeed on the labour market. Generally, despite

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<sup>(8)</sup> [http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:JOC\\_2016\\_484\\_R\\_0001](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:JOC_2016_484_R_0001) [accessed on 15/02/2017]

<sup>(9)</sup> [http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016H1224\(01\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016H1224(01)&from=EN) [accessed on 15/02/2017]

<sup>(10)</sup> <http://ec.europa.eu/social/BlobServlet?docId=15686&langId=en> [accessed on 15/02/2017]

<sup>(11)</sup> <http://ec.europa.eu/social/BlobServlet?docId=15694&langId=en> [accessed on 15/02/2017]

progress, there are still too many young people who are neither in education and training nor in jobs and this group is very heterogeneous. To understand VET's role as driver and response to this challenge, Cedefop had undertaken a comprehensive study. Its outcomes, which became available in 2016, enrich the evidence-base for more effective policies.

Work-based learning schemes, particularly apprenticeships, play a particular role in helping young people, but also adults, acquire knowledge, skills and competences needed on the labour market. As in the past, Cedefop continued its contributions to related Commission and international initiatives: the European Alliance for Apprenticeships, the DGVET conference on apprenticeships, the European Commission's adult learning working group, ET2020 working group on VET and the interagency working group on work-based learning.

To support its intention to make VET the first choice for young people and promote lifelong skills development for all, the Commission organised a European Vocational Skills Week, to encourage young people and adults to 'discover their talents' through VET. Cedefop contributed actively to this first event of its kind. It also provided a stage for winners of Cedefop's photo competition on VET. The series of events organised for policy makers, researchers and practitioners provided the opportunity to present the Agency and its work to a wide audience. On this occasion, Cedefop's mobility scoreboard for IVET was officially launched together with EACEA's higher education scoreboard.

Continuing to reinforce its direct support to Member States, Cedefop focused its work on apprenticeships and skills anticipation methods. Reviews of apprenticeship schemes centred on Greece, Italy and Slovenia. In addition, the Agency continued its assistance to Greece on its work on a skills diagnosis mechanism and organised a peer learning event for Malta and Iceland on skills forecasting.

The analysis of the citations confirms a trend that has become visible in the past few years: Cedefop findings and outputs are taken up or referred to in a wide range of Commission and EU institutions documents whether they relate to all Member States or are country specific. A similar trend is also visible in the many OECD documents that used Cedefop sources. Finally, the take up of Cedefop's work on skills continues to attest that the Agency is acknowledged as the 'EU's skills research agency' <sup>(12)</sup>: its demand and supply forecasts and the results of the European Skills and Jobs survey are widely used; the approaches and methods the Agency has developed to anticipate skill needs are discussed in several documents.

Cedefop's administration and internal services have again confirmed their efficiency in 2016: budget execution increased from 98.55 in 2015 to reach 99.99% and occupation of the establishment plan remained high in line with previous year's performance at 98%. The average time to pay invoices decreased from 16.28 days in 2015 to 14.1 days, well below the target of 28 days.

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<sup>(12)</sup> European Commission staff working document on Employment and Social Developments in Europe 2015. Available at <http://data.consilium.europa.eu/doc/document/ST-5451-2016-ADD-7/en/pdf> [accessed on 15/02/2017]

## I. PART I: ACHIEVEMENTS OF THE YEAR

### I.1. Supporting modernisation of VET systems

#### I.1.1. Activity: Policy analysis and reporting

In 2015, in Riga, Ministers in charge of VET confirmed Cedefop's mandate <sup>(13)</sup> to **monitor and analyse Member States' progress in five commonly agreed priority areas for VET** for the period 2015-2020 ('medium-term deliverables'): to promote work-based learning, further develop quality assurance and feedback loops based on learning outcomes and strengthen key competences in VET, and develop initial and continuous professional development of VET teachers and trainers, while enhancing access to VET for all <sup>(14)</sup>. The priorities outlined in the Riga conclusions are also central to the New Skills Agenda for Europe <sup>(15)</sup>.

Cedefop's reporting on VET policies and systems, as well as the varied publications and deliverables that stem from it could not be realised without the precious support of **ReferNet** - Cedefop's network for VET in the EU 28, Iceland and Norway – of which the national partners <sup>(16)</sup> – renewed for the 2016-19 period – regularly collaborate closely with the Agency to provide the information needed in various formats: reports, questionnaire or thematic articles. The network's responses to Cedefop's questionnaire and other Cedefop sources, allowed the Agency to carry out a preliminary analysis of trends since 2015, which was presented to ACVT and DGVT, and shared with the European Commission in the form of country-based analysis. It confirmed that promoting and extending work-based learning remains – as in the period 2011-14 - a priority for nearly all countries. Strategic and legal frameworks for work-based learning are strengthened, often in combination with revised funding streams. Promoting access to VET and qualifications for all as well as the

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<sup>(13)</sup> In this exercise, Cedefop cooperates closely with ETF who is responsible for reporting on the developments in the candidate countries.

<sup>(14)</sup> Since 2002 EU, EEA and candidate countries have jointly worked on common priorities to improve VET quality and promote transparency, trust and recognition of competences and qualifications within and across countries. They committed to making mobility for work and learning and access to lifelong learning easier (the so-called Copenhagen process). Since 2004, a series of communiqués have guided this voluntary process and identified common challenges and objectives across countries. Findings of Cedefop's reviews have informed the debates. Aligned with the education and training 2020 framework, cooperation in VET has created stronger links between VET and Europe's economic, employment and social-policy agenda. The latest communiqué agreed in Bruges in 2010 combined a long-term vision for 2020, with a series of short-term actions. The current deliverables and proposed policy options to achieve them were set out in the 2015 Riga conclusions.

<sup>(15)</sup> European Commission. Communication on a new skills agenda for Europe. Working together to strengthen human capital, employability and competitiveness {SWD(2016) 195 final} COM(2016) 381 final. <http://ec.europa.eu/social/BlobServlet?docId=15621&langId=en> [accessed on 07/11/2016] and Council of the European Union, 2016 Council Resolution on A New Skills Agenda for an Inclusive and Competitive Europe (2016/C 467/01) [http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016G1215\(01\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016G1215(01)&from=EN) [accessed on 20/12/2016]

<sup>(16)</sup> <http://www.cedefop.europa.eu/en/events-and-projects/networks/refernet/national-contacts>

professional development of teacher/trainer follow suit. The integration of key competences tends, according to the first round of reporting, to centre on initial VET.

To help deepen the information collected on VET policy and to complement VET systems descriptions, Cedefop also collects thematic articles from ReferNet. Published early 2016, articles on innovation in and through VET <sup>(17)</sup> helped informing debates during the Luxembourgian, Dutch and Slovakian Presidencies. As in past years, ReferNet's contribution was also used to prepare **short descriptions** <sup>(18)</sup>, **spotlights** <sup>(19)</sup> and **videos** <sup>(20)</sup> on VET systems, informing DGVT and other stakeholders from across the EU on VET in the EU Presidency countries, i.e. the Netherlands and Slovakia. To stay in touch timely with VET developments, updates of **Spotlights on VET** in the EU 28, Norway and Iceland were published throughout the year.

Cedefop developed the European **mobility scoreboard for initial vocational education and training (IVET)**. The IVET scoreboard and the one for higher education (HE), developed by EACEA/Eurydice, were launched by the European Commission on 8 December on the occasion of the first European Vocational Skills Week. Notes on the IVET mobility scoreboard were prepared for the DGVT meeting in February, the ACVT meeting in June and a Briefing note <sup>(21)</sup> was published in October taking stock of policies and structures in place to support mobility of students and apprentices in VET across EU countries.

In addition to the above activities, a comprehensive study on the **changing role of VET** is ongoing. Building on early data from the study and Cedefop's studies on VET at EQF level 5 or higher, a contribution was provided to a Commission document on VET in higher education for the June ACVT meeting. Cedefop also contributed to the Presidency note 'Stepping stones towards a future proof VET' for the Dutch presidency conference on VET in February 2016.

#### I.1.2. Activity: Common European tools, qualifications and learning outcomes

In 2016, Cedefop's policy analysis and support to EU countries and the European Commission on **qualifications and learning outcomes** continued. Cedefop's long-standing expertise in the field as well as its ongoing work on the EQF and national qualifications frameworks directly supported the definition of proposals and actions for the New Skills Agenda for Europe <sup>(22)</sup>. In particular, Cedefop co-drafted the Staff Working Document

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<sup>(17)</sup> <http://www.cedefop.europa.eu/en/publications-and-resources/country-reports/innovation-in-vet>

<sup>(18)</sup> <http://www.cedefop.europa.eu/en/publications-and-resources/publications/4142>  
<http://www.cedefop.europa.eu/en/publications-and-resources/publications/4150>

<sup>(19)</sup> <http://www.cedefop.europa.eu/en/publications-and-resources/publications/8090>  
<http://www.cedefop.europa.eu/en/publications-and-resources/publications/8102>

<sup>(20)</sup> <http://www.cedefop.europa.eu/en/publications-and-resources/videos/vocational-education-and-training-netherlands>  
<http://www.cedefop.europa.eu/en/publications-and-resources/videos/vocational-education-and-training-slovakia>

<sup>(21)</sup> <http://www.cedefop.europa.eu/en/publications-and-resources/publications/9114>

<sup>(22)</sup> <http://ec.europa.eu/social/main.jsp?catId=1223>

supporting the revision of the EQF, which forms integral part of the Commission's communication.

To help countries and stakeholders implement learning outcomes principles and design NQFs, in 2016 Cedefop helped shape and supported four peer learning activities organised by the Commission <sup>(23)</sup>: (a) validation in enterprises (Paris, January); (b) how can QF support recognition of qualifications (Luxembourg, March); (c) identification and documentation of migrants' skills and competences (Den Haag, April); and (d) school leaving certificates (Belfast, June). Additionally, Cedefop's analytical work fed into the EQF referencing reports from FYROM, Liechtenstein, Kosovo and Sweden. 20 countries now award diplomas and certificates bearing a reference to the national qualifications and the European Qualifications Framework's level they correspond to.

In 2016, Cedefop further deepened its research on learning outcomes, leading to the **second policy learning forum on defining and writing learning outcomes** that took place in October. The forum explored the way forward, which will involve the preparation of a handbook. Cedefop has also started compiling a database with national methodologies, handbooks and guidelines for writing learning outcomes and research projects carried out at national level. Cedefop reference publication on the 'Application of learning outcomes approaches across Europe' <sup>(24)</sup> maps and analyses the shift to learning outcomes in education and training policies and practices across Europe. Cedefop currently carries out a comparative study of 10 learning outcomes based VET qualifications in 26 countries inside as well as outside Europe (in cooperation with ETF and UNESCO). Results were discussed in a seminar jointly organised with the Slovak Permanent Representation to the EU under the auspices of the Slovak Presidency.

Cedefop continued its work with the European Commission and Member States in supporting implementation of the ECVET recommendation, providing analytical support to the ECVET users group and the ECVET Forum. The **ECVET in Europe 2015 monitoring report** was published <sup>(25)</sup>, based on national responses provided by the ECVET users' group from 28 EU Member States and four EFTA countries. As part of the continuous developments of the Europass website, a template for recording **Skills and Qualifications of Refugees and Asylum Seekers** has been prepared at the request of the Commission and an animation video produced to promote interoperability with Europass. Cedefop **provided advice and expertise to the EQAVET** steering committee, the EQAVET working group on complementing the EQAVET recommendation, the peer learning activity organised by the EC in Poland on the quality assurance of qualifications and learning outcomes approach and the quality assurance workshop organised during the Business Forum. Cedefop is also a member of the Education and Training 2020 Working Group on Schools education which met three times in 2016.

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<sup>(23)</sup> Co-drafting the background notes, giving presentations and chairing sessions

<sup>(24)</sup> <http://www.cedefop.europa.eu/en/publications-and-resources/publications/3074>

<sup>(25)</sup> <http://www.cedefop.europa.eu/en/publications-and-resources/publications/5556>

## I.2. Career and transitions – CVET, adult and work-based learning

### I.2.1. Activity: Empowering adults and young people

As developing **apprenticeships and work-based learning (WBL)** continues to be high on the EU policy agenda, Cedefop started a cross-national overview of apprenticeships in Member States and of their commitments under the EAfA <sup>(26)</sup>. For the country reviews in Greece, Italy and Slovenia, Cedefop carried out the first two rounds of surveys of interviews to stakeholders and organised a second validation workshop with the members of the steering groups in the respective countries. In Slovenia, a third round of surveys was also organised. Further, Cedefop provided continuous advice and expertise to the European Commission's Europe 2020 working group on adult learning, which focuses on workplace learning of adults. Cedefop prepared three background papers on apprenticeship related topics for the DGVT Conference on apprenticeships that took place in Bratislava in October, under the Slovak Presidency. Cedefop research paper on '**Governance and financing of apprenticeships**' <sup>(27)</sup>, which has already been cited in scientific literature, analyses VET governance structures and financing arrangements in Spain, Italy, Latvia, Portugal and Sweden. The findings of the study were widely disseminated and discussed during a dedicated event in February in Brussels <sup>(28)</sup>. Finally, Cedefop organised a working dinner with MEPs on 'Work-based learning and apprenticeships: an asset for people's employability and businesses' competitiveness'.

In 2016, Cedefop finalised its three-year study 'Leaving education early: putting vocational education and training centre stage' focusing on the contribution that VET can make to **reducing early leaving from education and training (ELET)**. The study aims at improving evidence and supporting national decision-making in this area. As part of the study's outcomes dissemination activities, Cedefop organised with the World Bank a knowledge sharing seminar on 'Early leaving from education and training: lessons for Romania' <sup>(29)</sup>.

'**Investing in skills pays off: the economic and social costs of low skilled adults**' summarises the main outcomes of Cedefop work in this area <sup>(30)</sup>. The study provides an estimate of the individual and social value in monetary terms of a faster increase of the general level of skills in the Member States as compared to the current trend.

An expert workshop on **Fostering partnerships for continuing training: Cooperation between higher education institutions and enterprises** <sup>(31)</sup> took place at Cedefop in February and was attended by policy-makers, researchers and practitioners.

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<sup>(26)</sup> European Alliance for Apprenticeships

<sup>(27)</sup> <http://www.cedefop.europa.eu/en/publications-and-resources/publications/5553>

<sup>(28)</sup> <http://www.cedefop.europa.eu/en/events-and-projects/events/governance-and-financing-apprenticeships>

<sup>(29)</sup> <http://www.cedefop.europa.eu/en/events-and-projects/events/knowledge-exchange-seminar-early-leaving-education-and-training>

<sup>(30)</sup> <http://www.cedefop.europa.eu/en/news-and-press/news/executive-summary-investing-skills-pays-economic-and-social-cost-low-skilled>

<sup>(31)</sup> <http://www.cedefop.europa.eu/en/events-and-projects/events/fostering-partnerships-continuing-training-cooperation-between-higher>

**Cedefop's opinion survey on VET in Europe** aims at investigating European citizens' opinions on awareness, attractiveness and effectiveness of VET in Europe. A total of 35,646 interviews were conducted among the citizens of all EU Member States. The survey provides unprecedented data on European's opinions on awareness, attractiveness and effectiveness of VET in Europe. Findings will be discussed at an international workshop to be held in 2017.

Cedefop's support to the EC's thematic working group on teachers and trainers in WBL consisted of advice and expertise, including active participation in all meetings. The third plenary of the group was hosted by Cedefop in Thessaloniki in November, back to back with the Policy learning forum, 'Professional development of teachers and trainers – a guarantee of quality in VET'. This Policy learning forum <sup>(32)</sup> brought together about 70 participants from 29 countries for intensive discussions on the role of VET teachers and trainers in enterprises in ensuring the quality of work-based learning and apprenticeship.

The study on '**Labour market information and guidance**' <sup>(33)</sup> analyses the role of guidance in enabling citizens to use LMI successfully to make decisions about learning and their careers. Important policy messages are extracted, dealing with stakeholder cooperation, quality of LMI, appropriate use of LMI in schools and employment services, new technologies and the skills of practitioners and teaching staff. The workshop on '**Labour market intelligence in lifelong guidance**' <sup>(34)</sup> (May 2016) gathered LMI and guidance experts from all over Europe to discuss the results of the study.

Cedefop organised a major European conference on **validation**: 'How to make learning visible, Strategies for implementing validation of non-formal and informal learning' <sup>(35)</sup> which attracted more than 200 participants. The conference served to reflect on the current progress and engage Member States policy makers, social partners, practitioners and other relevant stakeholders in a discussion on what needs to be done in the run-up to the 2018 'deadline' of the 2012 Council Recommendation and beyond. Input from the conference will feed the finalisation of the 2016 European Inventory update, to be published in 2017. As part of the 2016 European Inventory four reports were published: Validation in the care and youth work sectors <sup>(36)</sup>; Monitoring the use of validation of non-formal and informal learning <sup>(37)</sup>; Validation and open education resources (OER) <sup>(38)</sup>; and Funding validation <sup>(39)</sup>. Furthermore, following the publication of **European guidelines for validation** in 2015, a data visualization tool was created in Cedefop website to present links between the

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<sup>(32)</sup> <http://www.cedefop.europa.eu/en/events-and-projects/events/policy-learning-forum-professional-development-teachers-and-trainers>

<sup>(33)</sup> <http://www.cedefop.europa.eu/en/publications-and-resources/publications/5555>

<sup>(34)</sup> <http://www.cedefop.europa.eu/en/events-and-projects/events/workshop-labour-market-information-lmi-lifelong-guidance>

<sup>(35)</sup> <http://www.cedefop.europa.eu/en/events-and-projects/events/how-make-learning-visible>

<sup>(36)</sup> <http://www.cedefop.europa.eu/en/publications-and-resources/publications/4147>

<sup>(37)</sup> <http://www.cedefop.europa.eu/en/publications-and-resources/publications/4148>

<sup>(38)</sup> <http://www.cedefop.europa.eu/en/publications-and-resources/publications/4149>

<sup>(39)</sup> <http://www.cedefop.europa.eu/en/publications-and-resources/publications/4146>

Guidelines and the European Inventory. The current version <sup>(40)</sup> – which is being piloted – contains data from 2010 and 2014 and further improvements should be made in 2017 to include 2016 data.

Contributing to the identification of **effective policies for the labour market integration of migrants and refugees**, Cedefop co-organised with the European Commission and the EQF Dutch national coordination point a Peer Learning Activity: ‘Making visible and valuing skills and qualifications of refugees’ (April 2016). Furthermore, the Cedefop-OECD experts’ forum on ‘**Upskilling, re-skilling and employing adult refugees**’ <sup>(41)</sup> discussed the role of VET and VET-related measures to help adult refugees, including people in clear need of international protection, to quickly integrate in the labour market.

### I.3. **Analysing skills and competence needs to inform VET provision**

#### I.3.1. Activity: Skills analysis

The **EU Skills Panorama**, re-launched by Cedefop in December 2015, is a unique web portal for labour market and skills intelligence in Europe. It is designed primarily for policy-makers and policy-experts and brings together data from various sources to inform on labour market trends and resulting skill needs in countries, sectors, occupations. In 2016, new sections and indicators were added to the site: (i) matching skills and jobs, providing exclusive access to the results of Cedefop’s European Jobs and Skills Survey; (ii) 30 new highlights on changes affecting skills needed in occupations and a list of high priority mismatch occupations in each EU country; (iii) the ‘Making skills work’ index which summarises the performance of each country using a set of indicators gathered around 3 pillars – developing skills, activating skills and matching skills. In addition, a comprehensive update of all indicators based on labour force survey and forecasting data took place in June together with improvements of site navigation and layout.

On top of developing and maintaining the EU Skills Panorama, Cedefop carries out a number of projects and activities in order to collect more and better data and insights on skill needs in the EU. The outcomes of these activities are summarised here below.

Cedefop **skill supply and demand forecasts** aim to act as an early warning mechanism to help alleviate potential labour market imbalances and support different labour market actors in making informed decisions. The 2016 forecasting results <sup>(42)</sup> were published to coincide with the announcement of the Skills agenda. In addition, the flyer ‘**European sectoral trends: the next decade**’ <sup>(43)</sup> - published in May to promote new forecasting results and the Skills Agenda - synthesises trends across sectors and drivers of change up to 2025. To

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<sup>(40)</sup> <http://www.cedefop.europa.eu/en/publications-and-resources/data-visualisations/european-database-on-validation-of-non-formal-and-informal-learning>

<sup>(41)</sup> <http://www.cedefop.europa.eu/en/events-and-projects/events/upskilling-reskilling-and-employing-adult-refugees>

<sup>(42)</sup> <http://www.cedefop.europa.eu/en/events-and-projects/projects/forecasting-skill-demand-and-supply/data-visualisations>

<sup>(43)</sup> <http://www.cedefop.europa.eu/en/publications-and-resources/publications/8093>

disseminate the new Cedefop forecast and debate trends in the EU in light of global changes, a conference was organised in collaboration with the Unesco: 'Skills, jobs and sustainable development: global trends, local challenges' <sup>(44)</sup>. The research paper '**Future skill needs in Europe: critical labour force trends**' <sup>(45)</sup> presents Cedefop's latest skills supply and demand forecasts and also offers an explorative analysis of the impact of an alternative skills supply scenario on future labour market imbalances. **At the request of Malta and Iceland, Cedefop organised a two-day peer learning event to support the development of national skills anticipation and forecasting system** in the two countries. The event offered to representatives from these countries the opportunity to benefit from the insights of international and national experts on macro-economic, employment and skills forecasting.

In 2016, Cedefop also strengthened the foundation needed to work with individual countries and help develop **skills anticipation and skills governance** in the EU - an effort that is fully aligned with the Skills Agenda as it invites EU countries to further develop their capacity to anticipate and react to skill needs in the labour market. First, to assess the **performance of skills systems** across countries, Cedefop finalised the development of a composite index '**Making Skills Work**'. The index allows comparisons across countries and permits a quick identification of each country's strengths and weaknesses. It can be used to trigger discussions among stakeholders over possible needs for reforms. In addition, since 2014, Cedefop has been **supporting Greece in its effort to develop a national Skills Diagnosis Mechanism**.

Problems posed by skill shortages and surpluses are of particular concern to European and national policymakers. To help identify occupations that should receive attention in priority by policy-makers, Cedefop has developed an innovative risk-based approach that also provides insights into why skill mismatches arise. This led to identifying **Mismatch priority occupations (MPOs) for each Member State**. Findings for each EU Member State can be found in the Skills Panorama <sup>(46)</sup>.

In 2014, Cedefop initiated a feasibility study to assess whether good quality and useful data on **skills demand by employers** can be retrieved from online vacancies. Gathering such data would fill a significant gap in available data on skill needs in the labour market and using new technologies to retrieve data from the web would be much cheaper and effective than other methods, such as employers' surveys. Cedefop's feasibility study was finalised in 2016 and proved that retrieving data that add value to the currently available evidence from online vacancies is a worthwhile and promising endeavour. Project outcomes were highly appreciated by members of Eurostat's Task Force on Big Data, which Cedefop has been invited to join. Cedefop has established exchanges with national statistical office members of the task force that have requested access to Cedefop's tool to inspire national efforts to collect big data.

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<sup>(44)</sup> <http://www.cedefop.europa.eu/en/events-and-projects/events/skills-jobs-and-sustainable-development-global-trends-local-challenges>

<sup>(45)</sup> <http://www.cedefop.europa.eu/en/publications-and-resources/publications/5559>

<sup>(46)</sup> <http://skillspanorama.cedefop.europa.eu/>

To gather stronger evidence on **skills strategies and learning cultures in organisations and their link to business performance and innovation**, Cedefop has engaged into two projects. The first one collects 8 in-depth **case studies** of organisations in four sectors across 5 countries that have enjoyed sustainable and long-term business success to investigate their learning culture and how they devise and implement their skills strategies. The second project relies on **collaboration with Eurofound**. Both Agencies have agreed to join forces to organise the next **European company survey**. The survey will focus on companies' skills strategies (i.e. recruitment, skills utilization and skills development - training and learning), considered together with other HRM practices, workplace social dialogue, sustainable work and careers, job design and work organisation as well as digitalisation of work. The survey should allow linking these issues to business innovation and competitiveness. Cooperation between the two agencies is beneficial to the project, cost-effective and will demonstrate the synergies and complementarities between them.

Throughout the year, efforts were made to further promote the results of the **Cedefop European skills and jobs survey (ESJS)**. A number of analytical highlights and blogs were written both for Cedefop web portal and the Skills Panorama, based on new analyses of the dataset. In addition, to disseminate the results further into policy circles, Cedefop held a dedicated skill mismatch Brussels-based seminar together with the Dutch Permanent Representation to the EU under the auspices of the Dutch Presidency. Eleven **Skillsnet e-bulletins** <sup>(47)</sup> were published and shared with Skillsnet members. They offer network members the latest news, publications and events in the field of skills anticipation and governance. Cedefop has also pursued active collaboration with the ETF – to finalise the publication of the guides on skills anticipation methods; with the ILO – to carry out a comparative analysis of national systems of skills governance based on information collected together by the OECD, Cedefop, ETF and ILO in 2014; and with the World Economic Forum (WEF) – to contribute to the dissemination of the report on the Future of jobs.

#### 1.4. **Communication, information and dissemination**

It is vital for Cedefop to communicate efficiently key messages to stakeholders and to promote a positive image of the Agency at European, national and local levels. To this end, Cedefop organised events and visits to keep key accounts and other stakeholders up to date with VET issues and Cedefop's role.

Throughout 2016, Cedefop also intensified its collaboration with DG EMPL by organising e.g. joint social media activities, support to the media seminar on the Skills Agenda, and the opening of the #CedefopPhotoAward <sup>(48)</sup> exhibition at the European Youth Event 2016 (EYE2016) in Strasbourg by European Commissioner for Employment, Social Affairs, Skills and Labour Mobility Ms Marianne Thyssen – an event attended by 7 000 young Europeans from all 28 EU Member States. In the second semester Cedefop focused on promoting the DG EMPL's first European Vocational Skills Week <sup>(49)</sup> by dedicated social media activities, online news, eight video productions and four local events, including the photo exhibition

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<sup>(47)</sup> One double issue

<sup>(48)</sup> <http://www.cedefop.europa.eu/en/tags/cedefopphotoaward>

<sup>(49)</sup> <http://www.cedefop.europa.eu/en/tags/european-vocational-skills-week>

'European's youth in education and training' at the 57th Thessaloniki International Film Festival in November. Finally the winners of the #CedefopPhotoAward were invited to the official closing ceremony of the European Vocational Skills Week in Brussels in December, where they received their award by Commissioner Marianne Thyssen.

Cooperation between the Greek employment and education authorities and Cedefop to help equip Greek people with the skills needed to find and stay in employment was the topic of a seminar organised in June 2016 in Thessaloniki <sup>(50)</sup>, jointly by the office of Thomas Händel MEP, Chair of the Employment and Social Affairs Committee and Cedefop..

In 2016, Cedefop published seven briefing notes, 19 press releases, three issues of Skillset and match, 17 video clips and interviews, 10 issues of Cedefop's electronic newsletter and 71 website headlines. The Press service facilitated 16 interviews with international media for Cedefop staff. A continuous flow of social media postings (135 Facebook posts, 1 670 tweets and retweets) complemented Cedefop's communication activities. At the end of 2016 Cedefop counted 9 350 Facebook likes (an increase of 28% compared to 2015) and 5 170 twitter followers (an increase of about 35% compared to 2015).

According to Cedefop's publication policy, most publications, like briefing notes and research papers, are published online only, but printing-on-demand continues to play an important role. E-book production is also a standard online publication format. Video animations for Presidency country VET systems are now regularly produced e.g. animation on VET in the Netherlands, published in the first quarter and VET in Slovakia in October.

In 2016, Cedefop's Brussels office, in collaboration with the relevant operational Departments, organised a number of events tailored for Brussels-based stakeholders. Three events were organised jointly with Members of the European Parliament and the Presidency of the Council of the EU. One of the events for which MEPs showed a particular interest was the working dinner Cedefop organised in January 2016, hosted by Mr Amjad Bashir (MEP and substitute member of the EMPL Committee). In addition, Cedefop's Brussels office realised two seminars in cooperation with the Dutch and Slovak Presidencies (June and December). The purpose of these events was to increase the visibility of Cedefop's work among MEPs, Permanent Representations, European social partners and other Brussels-based stakeholders, as well as to consolidate and facilitate Cedefop's cooperation with its stakeholders.

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<sup>(50)</sup> <http://www.cedefop.europa.eu/en/events-and-projects/events/making-learning-work-greece-bringing-together-world-employment-and>

## II. PART II (A): MANAGEMENT

Cedefop's administration and internal services support operations effectively and efficiently. Cedefop conducts its operations in compliance with the applicable rules and regulations, working in an open and transparent manner and meeting the expected high level of professional and ethical standards.

### II.1. Governing Board

The 94<sup>th</sup> Governing Board meeting was held in Thessaloniki on 29-30 September 2016.

Throughout the year, Cedefop reported on a regular basis to its (Enlarged) Bureau and Governing Board members on risks and control issues. Regular updates were provided on audit and evaluation activities (ECA, IAS, and other sources of assurance) at Bureau, Enlarged Bureau<sup>(51)</sup> and Governing Board meetings. Related key issues submitted to or discussed with the Bureau/Governing Board included:

a) Information note to Bureau members on 26 February 2016<sup>(52)</sup>:

- Annual Management Plan 2016<sup>(53)</sup> including Evaluation and audit plan and other sources of assurance 2016, Risk Assessment 2016 (generic risks and risk assessment by activities/projects) and anti-fraud strategy action plan 2016;

b) Bureau meeting on 21 April 2016:

- Information on the follow-up to the External Evaluation of Cedefop<sup>(54)</sup>;
- Information on the follow-up to the Staff Survey<sup>(55)</sup>.

c) Bureau meeting on 7-8 July 2016

- Governing Board self-assessment: follow up to the action plan on Cedefop's external evaluation (recommendation 6.1)<sup>(56)</sup>
- Information on audits and evaluations<sup>(57)</sup>;

d) Governing Board meeting on 29-30 September 2016:

- Action plan to follow up Cedefop's external evaluation<sup>(58)</sup>;

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<sup>(51)</sup> In compliance with Article 3(5) of its revised Rules of Procedure, the Governing Board may decide to enlarge the Bureau for meetings with strategic issues for future Governing Board decisions. – OJ C182 of 04.08.2006, p.2

<sup>(52)</sup> RB(2016)00362

<sup>(53)</sup> RB(2016)00360

<sup>(54)</sup> RB(2016)00821 - Item 8a

<sup>(55)</sup> RB(2016)00629 - Item 8c

<sup>(56)</sup> RB(2016)01245 - Item 6

<sup>(57)</sup> RB(2016)1247 - Item 9a

<sup>(58)</sup> RB(2016) 01814 - Item 7

- Governing Board self-assessment: follow up to the action plan on Cedefop's external evaluation (recommendation 6.1) <sup>(59)</sup>
- Information on Audits – European Court of Auditors (ECA), Internal Audit Service (IAS) and other sources of assurance – Discharge procedure <sup>(60)</sup>;
- Information on ex-post evaluation of Study Visits' Programme 2009-2014 <sup>(61)</sup>.

e) Enlarged Bureau meeting on 1 December 2016

- Governing Board self-assessment: follow up to the action plan on Cedefop's external evaluation (recommendation 6.1) <sup>(62)</sup>;
- Key Performance Indicators for the Director – draft proposal on the Staff Survey and Stakeholder Consultation <sup>(63)</sup>;
- Information on audits and evaluations <sup>(64)</sup>.

At each meeting, the Governing Board, the Enlarged Bureau and the Bureau were informed by the representatives of the European Commission on progress of the ongoing revision of Cedefop's Founding Regulation.

A list of key decisions adopted by the Governing Board in 2016 is available in annex X.

## II.2. Major developments

Following further recovery in 2016, European Economic forecasts <sup>(65)</sup> expect all EU Member States' economy to grow in the period 2016-2018. However, this outlook is surrounded by higher than usual uncertainty and domestic demand remains the backbone of economic growth. While employment growth is expected to remain relatively solid and unemployment is expected to decline, it will still remain above pre-crisis levels.

In parallel Europe faces unprecedented challenges: the need to support the values at the heart of the EU in response to terrorist attacks; and integrating large numbers of newly arriving youth and adults from several countries and different cultural backgrounds into education and training and the labour market. This puts more demands on the inclusive potential of VET and the recognition of skills and qualifications <sup>(66)</sup>. Getting people (back) into work and promoting equality and inclusion is thus the main thread of current EU policies. The New Skills Agenda for Europe <sup>(67)</sup> stresses the need to equip people with the skills that are needed to find quality jobs and improve life chances. The Commission thus invited Member

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<sup>(59)</sup> RB(2016)01802 - Item 8

<sup>(60)</sup> RB(2016)01754 - Item 11a

<sup>(61)</sup> RB(2016)01697 - Item 11b

<sup>(62)</sup> RB(2016)02227- Item 9

<sup>(63)</sup> RB(2016)02222 & RB(2016)02223 – item 10

<sup>(64)</sup> RB(2016)02233– item 11a

<sup>(65)</sup> [https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts\\_en](https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts_en) [accessed on 26/4/2017]

<sup>(66)</sup> European Commission. Communication on *Results of the public consultation on the Europe 2020 strategy for smart, sustainable and inclusive growth*. COM (2015) 100 final. [http://ec.europa.eu/europe2020/public-consultation/index\\_en.htm](http://ec.europa.eu/europe2020/public-consultation/index_en.htm) [accessed on 15/05/2015]

<sup>(67)</sup> <http://ec.europa.eu/social/main.jsp?catId=1223&langId=en> [accessed on 26/04/2017]

States to work together to improve the quality and relevance of skills, make skills more visible and comparable and improve skills intelligence and information for career choices. These priorities are at the core of Cedefop's work as the Agency informs the reform and modernisation of VET – a key pillar of skills formation systems, develops and supports the implementation of tools to increase the transparency of qualification and skills, and is a leader in skill needs analysis and the provision of tools and services to help individuals making learning and career choices.

The New Skills Agenda proposes 10 actions to be taken forward. Among them several have been informed by Cedefop work: 'Upskilling pathways: new opportunities for adults' that aims at equipping people to acquire a minimum set of skills and qualification, a review of the European Qualification Framework, the Blueprint for sectoral cooperation on skill needs, the new Europass framework, a reviewed Recommendation on Key Competences and, of course, Making VET a first choice.

The Copenhagen Process and the new deliverables agreed in Riga in 2015, the Renewed European Adult Learning Agenda, and therefore the New skills agenda for Europe set the key parameters for Cedefop's work.

The above challenges and EU policy framework have been duly taken into account for the Programming document 2017-2020, which Cedefop finalised in 2016. In line with the vision and values set for the Agency, during the programming period, three main thematic strategic areas of operation have been defined:

- **Shaping VET** - Foster the renewal and modernisation of VET systems and institutions in response to rapidly changing policy needs and priorities, and support the development and use of European tools and principles promoting lifelong and lifewide learning;
- **Valuing VET** - Support the development and implementation of VET policies and programmes helping all citizens to achieve competences and skills required for work, employability, entrepreneurship, and lifelong learning in a constantly changing labour market.
- **Informing VET** - Inform the design of VET and employment policies that ensure the availability of a qualified workforce and its continuous as well as effective skilling, and promote jobs that value, develop and make the best possible use of people's skills throughout their working lives.

In addition, the Programming Document aims at balancing Cedefop's three key functions; while maintaining and further reinforcing the Agency's research, analyses and policy advice functions, the aim is to strengthen Cedefop's role as a knowledge broker and provider of country-based evidence to support policy learning and implementation in Member States.

Internal developments in 2016 were marked by the departure of the Head of Finance and Procurement in January 2016 (the position was filled on 16 September 2016) and the departure of the Head of Resources in April 2016 (post still vacant). Despite disruptions and increased workload for staff in the Department for Resources and Support due to the absence of two key functions, services have been delivered efficiently and effectively in support of the core business. The Agency also managed to achieve an excellent rate of budget execution by end 2016 (99.99%).

The Commission announced its plan to start the next external evaluation <sup>(68)</sup> before end 2016 and expect final results by end 2017. The evaluation with regards to Cedefop's relevance, effectiveness, efficiency, coherence and EU added value will assess Cedefop individually as well as in a cross-cutting perspective vis-à-vis the other Agencies falling under the remit of DG Employment i.e. the European Training Foundation (ETF), the European Foundation for the Improvement of Living and Working Conditions (Eurofound) and the European Agency for Safety and Health at Work (EU-OSHA). The evaluation will identify potential synergies and overlaps with Cedefop and the three other EU agencies, as well as with the European Commission and other relevant EU instruments and networks, concerning their objectives, activities, governance and internal organisation. Cedefop will follow-up on resulting recommendations when they become available.

Last but not least, in August 2016 the Commission adopted its legislative proposal for the revision of Cedefop's revised Founding Regulations and submitted it to the European Parliament and the Council.

### II.3. Budgetary and financial management

This section summarises information presented in Cedefop's Report on Budgetary and Financial Management for the financial year 2016 <sup>(69)</sup>.

#### ***Rate and type of implementation of appropriations***

In 2016, Cedefop continued to utilise essentially all of its available funding with a budget implementation rate of 99.99%. In particular:

- from a total final Title 1 budget of EUR 10 071 122 commitments to the value of EUR 10 070 267 were raised, representing an execution rate of 99.99%;
- from a total final Title 2 budget of EUR 1 626 691 commitments to the value of EUR 1 625 988 were raised, representing an execution rate of 99.96%;
- from a total final Title 3 budget of EUR 6 322 136 commitments to the value of EUR 6 321 566 were raised, representing an execution rate of 99.99%.

The budget revenue available and executed in 2016 included, besides the EU contribution of EUR 17 434 000, an amount of EUR 475 949 of contributions from associated countries Norway and Iceland, an amount of EUR 100 000 deriving from external assigned revenue (Delegation Agreement VS/2013/0554, signed with the European Commission), and an amount of EUR 10 000 of miscellaneous own revenue.

#### ***Indication of commitments for actions that will extend for more than one financial year; major items only***

Title 3 appropriations are differentiated appropriation and multi-annual in nature.

The contracts <sup>(70)</sup> signed in 2016 which gave rise to commitments extending for more than one financial year, which were booked on Title 3 (Operational activities) of the budget, are listed below:

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<sup>(68)</sup> Covering the period 2013-2016

<sup>(69)</sup> RB(2017)00650

Budget line	Title of procedure	Expires	Amount (committed in 2016)
3122	Order form 3 Skills Panorama - ongoing services	31/12/2018	200.510,00
3122	Order form 3 Skills Panorama - ongoing services	31/12/2018	115.280,00
3240	Order form 1 Skills Forecast - Setting up the ground for new forecasts	31/3/2018	198.700,00
3240	Order form 3 Skills intelligence	30/6/2018	159.980,00
3240	Order form 1 Skills governance	31/7/2019	476.800,00
3240	Order form 2 Forecasting	30/9/2018	225.900,00
3240	Order form 1 Real time LMI 2	30/9/2018	350.047,00
3340	Order Form 5 - WA5 - Changing role of VET	1/2/2019	180.200,00
3340	Order Form 3 - Europass Work Package 3	30/12/2017	182.925,00
3340	Initial VET qualifications at EQF levels 3 and 4	31/12/2018	253.250,00
3340	Order Form - WA6 - Changing role of VET	30/6/2019	190.325,00
3440	Apprenticeships: A cross-national overview	31/8/2017	219.925,00
3440	Order Form - WA 3 - Opinion survey on Vet in Europe	31/10/2017	146.200,00
3440	"Financing Apprenticeships / dual VET in the EU"	15/8/2018	277.937,50
3440	Apprenticeships for adults	28/2/2019	332.620,00

### ***Information on transfers and amending budgets***

The Director signed transfers between budget items, during 2016, which are summarised below (net effect between Titles):

- a **decrease** in Title 1 (staff expenditure) appropriations by EUR 298 878;
- a **decrease** in Title 2 (administrative expenditure) appropriations by EUR 10 309;
- an **increase** in Title 3 (operational expenditure) appropriations by EUR 309 187.

The transfers directed the surplus created in Titles 1 and 2, mainly attributed to the departure of staff members in high grades, to Title 3, in order to supplement operational projects and contribute to the Work Programme 2016 implementation. The transferred funds were successfully invested in operational projects launched before the end of the year.

The Agency did not adopt any amending budget in 2016.

### ***Appropriations carried forward to the following financial year***

The Agency committed its annual budget (at a rate of 99.99%, as detailed above), within the year 2016. No non-automatic carry overs were needed.

The appropriations carried forward to 2017 in order to honour commitments made in 2016, are summarised below:

- Title 1 appropriations carried forward to 2017 were EUR 152 891 or 1.5% of total Title 1 funds for the year;

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<sup>(70)</sup> Major contracts are shown only, with the threshold set at 100.000 EUR.

- Title 2 appropriations carried forward to 2017 were Euro 445 546 or 27.39% of total Title 2 funds for the year;
- Title 3 appropriations are differentiated appropriation and multi-year in nature.

***Implementation of appropriations carried forward from the previous financial year***

Of Euro 94 735 Title 1 appropriations brought forward, Euro 24 469 were cancelled.

Of Euro 477 994 Title 2 appropriations brought forward, Euro 25 176 were cancelled.

Title 3 appropriations are differentiated appropriation and multi-year in nature.

### **Percentage of procurement procedure types used**

46 procurement procedures were processed in 2016.

Type of procedure	2016		
	Number	%	Comments
Open	21	46%	Of which 1 (5%) were calls for proposals
Negotiated	22	48%	Of which 2 (9%) were calls for proposals
Restricted	3	6%	

### **Information on interest charged by suppliers through late payments (> 30 days)**

Not applicable.

### **Summary information on budgetary operations**

Cedefop continues to use its funds effectively and efficiently with a budget implementation rate of 99,99%. These high figures were achieved in spite of downward adjustment in the weighting factor from 79.9% to 79.3% communicated to the Agency only in November 2016, and the staff turnover observed in 2016. Despite these challenges, Cedefop transferred the ensuing savings in personnel costs to operational activities and successfully managed to commit them before the year end.

#### **II.4. Human Resources management**

On 31 December 2016 the occupation rate of the establishment plan was 98 % (92 posts filled in the establishment plan which had 94 authorised posts). The overall gender balance at Cedefop was 60% female to 40% male. Women are well represented at all grades including at management level. Cedefop also aims to ensure a geographical balance.

The implementing rules on appraisal were adopted in 2015 and applied for the first time to the 2016 exercise. Extensive training took place both to staff and reporting officers and the process went very smoothly.

New rules on promotion were adopted by the Governing Board in September and the promotion round was launched in December after extensive preparations.

To further improve the conditions of employment of Cedefop staff, in June the Director adopted a decision on a measure of a social nature on the financing of schooling for children of Cedefop staff. The measure makes it possible to increase financial support for schooling in fee-paying primary and secondary levels. HR implemented the decision through direct agreements with the schools concerned.

Learning and development activities focused on the professional development of experts, which takes place mainly through participation in external training and missions. Experts' professional development is also supported through in-house knowledge-sharing activities whenever feasible. A mission report template was put in place. It streamlines mission reporting and provides an opportunity for reflection on the professional development aspect of missions. Internal and external training applications have been fully automated, in cooperation with ICT, resulting in further efficiency gains.

Cedefop's long-standing traineeship programme was complemented with the launch of a trainee alumni network, which is an interactive way for trainee alumni to network and keep in touch with Cedefop activities, projects and events.

## II.5. Assessment by management

This section reports and assesses the elements identified by management that support the assurance on the achievement of the internal control objectives. These elements are: a) comprehensive set of processes and documents to plan its annual work programme; b) comprehensive set of processes to monitor and report on the implementation of its annual work programme and the deployment of its human and financial resources; c) processes to monitor and report on legality and regularity; d) internal control system and e) safeguarding of assets.

a) The Agency has developed a comprehensive set of processes and documents to plan its annual work programme.

- 1) The multi-annual programme endorsed by the Governing Board in June 2011, 'Medium Term Priorities 2012-2014' (extended to 2016), provides the strategic framework for the annual programmes.
- 2) The annual work programme 2016 was designed within the framework of the medium term priorities. The Governing Board adopted the final work programme 2016 on 18 December 2015 by written procedure <sup>(71)</sup>. The risk management plan - which results from an in depth ex-ante assessment of the generic risks and risks by project and by ABB <sup>(72)</sup> activity - is an integral part of the annual work programme. The work programme also includes a set of indicators within Cedefop's Performance Measurement System (PMS).
- 3) Along with the adoption of the annual budget (estimate of revenue and expenditure) a multi-annual staff policy plan sets out the human resources (and related budget) required for the implementation of the annual work programme.
- 4) Finally, the annual management plan (AMP) 2016 was prepared. The AMP comprises detailed planning for the Agency's key deliverables (e.g. conferences, publications, procurement procedures) as outlined in the annual work programme. It also includes evaluation and audit plans 2016, risk assessment 2016 (generic risks at the level of the organisation and risk assessment by ABB activities and projects) and anti-fraud strategy action plan 2016.

b) The Agency has also developed a comprehensive set of processes to monitor and report reliably on the implementation of its annual work programme and the deployment of its human and financial resources.

- 1) The Director, Deputy Director and Heads of Departments meet on a (bi) weekly basis. The aim of these meetings, chaired by the Director, is to monitor developments in all operational and support activities and take decisions on issues related to financial and human resource management, internal controls, activities including outreach activities of management and experts as well as the day-to-day administration of the Agency. Follow-up actions are reviewed on a regular basis.

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<sup>(71)</sup> <http://www.cedefop.europa.eu/en/about-cedefop/what-we-do/work-programme>

<sup>(72)</sup> Activity Based Budgeting

- 2) The Director, Deputy Director, Heads of Departments and Services, the Legal Advisor and selected senior experts meet in Management Team Meetings (two meetings per year) in which systematised reports on financial issues (budget implementation, procurements), human resources developments, and monitoring reports on achievements compared to the planned objectives are discussed. Achievements are monitored through the performance indicators and targets set in the annual work programme. In addition, these meetings aid strategic considerations and opinion exchange on policy issues, planning, and other operational and organisational issues.
- 3) A budgetary mid-term review is conducted in early July and September to discuss in detail progress on the implementation of the budget and the work programme and to agree on corrective actions as necessary. The 'budget correspondents' assigned to each Department provide regular monitoring of the budget's (planned) commitments and payments throughout the year.
- 4) The progress report, the annual report and the consolidated annual activity report are discussed with the Governing Board, besides the regular reporting to the Bureau/Governing Board on the results of audits and evaluations, budget implementation, transfers of appropriations. Bureau members are also systematically informed on key changes that may occur in the implementation of the annual work programme.
- 5) As requested under Art. 31.4 of the Cedefop Financial Rules <sup>(73)</sup>, the list of contracts is posted on the Agency's website.

c) The Agency has developed processes to monitor and report on legality and regularity and has deployed its own anti-fraud strategy <sup>(74)</sup> and a policy on prevention and management of conflicts of interests <sup>(75)</sup>.

- 1) As regards the legality and regularity of underlying transactions, the objective is to ensure that the estimated annual risk of errors in commitments and payments at the time of the authorisation of the transactions is less than 2%. Cedefop's standard quantitative material threshold is set at EUR 200.000 <sup>(76)</sup>. Deviations from this materiality threshold must be justified in the Consolidated Annual Activity Report. No deviations were recorded in 2016.
- 2) As foreseen in the Commission's Anti-Fraud Strategy (CAFS) <sup>(77)</sup> and in the action plan of the Inter Institutional Working Group's roadmap, Cedefop adopted its Anti-Fraud Strategy on 22 October 2014, along with the Policy on prevention and management of conflicts of interests at Cedefop. In addition to the Anti-fraud strategy, an internal procedure on reporting on irregularities/whistleblowing, including the legal framework and basic principles as well as steps to be followed by staff members has been issued by Cedefop's management already in 2008 (DIR/CFL/2008-312 dated 20 June 2008). These procedures have been complemented with Cedefop's Guidelines on Whistleblowing of 9 February 2017 which are based on the Commission's Guidelines and satisfy the requirements as set out in Art. 22c of the Staff Regulations.

d) Revised Internal Control standards are in place since 2009 and were adopted by Cedefop's Governing Board. They are structured in six building blocks (Mission and values,

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<sup>(73)</sup> Cedefop financial rules DIR RB(2014)00032 dated 9 January 2014

<sup>(74)</sup> RB(2014)02387 adopted on 22 October 2014

<sup>(75)</sup> RB(2014)02388 adopted on 22 October 2014

<sup>(76)</sup> See annex VII - Materiality

<sup>(77)</sup> COM(2011) 376 24.06.2011

Human Resources, Planning and risk management processes, Operations and control activities, Information and financial reporting and Evaluation and Audit). The Internal Control Standards are systematically monitored and followed-up by the Internal Control Coordinator.

e) With regard to safeguarding of assets, regular controls and checks are in place, which are in line with the Commission's control structures. They are tested and have proven to be sound. Procedures and recordkeeping concerned with the safeguarding of assets and reliability of financial records are designed to provide assurance that:

- 1) transactions are executed in compliance with management's (delegated) authorisation;
- 2) transactions are recorded as necessary to permit preparation of financial statements in conformity with the Agency's Financial Rules and to maintain accountability for assets;
- 3) access to assets is restricted through the hierarchical structure of verifications and in line with the Financial Rules;
- 4) the recorded value of assets is compared with existing asset checks e.g. inventory controls and bank reconciliations at reasonable intervals.

## **II.6. Budget implementation tasks entrusted to other services and entities**

Not applicable to Cedefop

## **II.7. Assessment of audit results during the reporting year**

Cedefop's internal auditor is the Internal Audit Service of the European Commission (IAS) and the Agency is annually controlled by the European Court of Auditors. The Agency informs the European Parliament annually on the results of the audits through the Discharge procedure.

Following each audit, Cedefop draws up an action plan for the implementation of recommendations. A regular monitoring of actions is carried out by the Internal Control Coordinator (<sup>78</sup>). A consolidated action plan, updated at least biannually, is posted on Cedefop's intranet, accessible to all staff.

Cedefop regularly reports to its Bureau and Governing Board members on risks and control issues (see 2.1 above).

Cedefop is also following up closely on the recommendations received from the Discharge Authority.

In addition to the audits conducted by the IAS and ECA, Cedefop has also developed several procedures and tools to allow ex-ante and ex-post controls and evaluations throughout the year and thus further ensures that controls and actions are in place and implemented.

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<sup>(78)</sup> Mara Brugia, Deputy Director

The action plan of the anti-fraud strategy <sup>(79)</sup> is updated on a yearly basis and is included in the Annual Management Plan <sup>(80)</sup>. The actions are also included in the Agency's consolidated action plan.

### II.7.1. Internal Audit Service (IAS)

All recommendations of the agreed action plan resulting from the IAS Audit on Procurement, including fraud prevention and legal advice at Cedefop - carried out in 2015 - had been implemented and sent for review by the end of 2016. Four out of five recommendations were closed and one was recommended by the IAS to be closed.

To prepare the Strategic Audit Plan for 2017-2019, the IAS carried out a risk assessment exercise at Cedefop from 7 to 11 March 2016. The prospective topics selected for future IAS Audits of Cedefop in 2017-2019 are:

- (1) Cedefop web-based services;
- (2) Knowledge brokering in VET (support to Member States and social partners);
- (3) Human Resources Management.

See below an overview of the status of IAS recommendations as of 31 December 2016:

Priority	Recommendations			
	Open on 31/12/2015	New in 2016	<b><i>Implemented, sent for review and closure in 2016</i></b>	Open on 31/12/2016
		Issued		
Very important	0	0	0	0
Important	8	0	8	0
<b>Total</b>	<b>8</b>	<b>0</b>	<b>8</b>	<b>0</b>

### II.7.2. Other sources of assurance

#### a) Ethics, Integrity and Internal control

The action plan of Cedefop's **anti-fraud strategy** <sup>(81)</sup> is updated on a yearly basis and is included in the Annual Management Plan. Related actions are also included in the Agency's consolidated action plan.

Mandatory sessions on good governance are organised regularly for new comers. The sessions, which are open to all staff members, specifically addresses ethics, integrity and Internal Control issues. In 2016, the session was held on 23 November.

<sup>(79)</sup> DIR/RB(2014)02387 adopted on 22 October 2014

<sup>(80)</sup> Annex 7 - Anti-fraud strategy - 2016 Action Plan

<sup>(81)</sup> DIR/RB(2014)02387 adopted on 22 October 2014

Presentations on the 'dignity at work' policy are organised regularly for new comers and are also open to all staff. 2016 presentation was held on 7 December. A presentation to the directorate and middle managers on 'dignity at work – the role of a manager' took place on 7 June 2016. Short presentations on dignity at work policy are organised regularly in Department meetings.

#### b) Evaluation activities

Following the completion of the works of the Inter-institutional Working Group on decentralised Agencies (IWG) an action plan and a roadmap are available since beginning of 2013. Cedefop will continue to follow the process closely and include all actions required from Cedefop in the consolidated action plan.

Following the completion of a **staff survey** early 2013 and the endorsement of its action plan by the Bureau on 5 December 2013, Cedefop implemented the agreed action plan and reported regularly on progress to the Governing Board/Bureau. The GB agreed to close the action plan at its meeting on 29-30 September 2016 as it considered that necessary actions had been taken on all recommendations.

In line with the provisions of Article 45 of Cedefop Financial Rules, Cedefop carries out **ex-ante evaluations** for procurement procedures above 200.000 Euros. In compliance with Article 29(5) of the Financial Rules adopted by the Governing Board on 9 January 2014, and with a view to improving decision-making under the principle of sound financial management, Cedefop carries out **ex-post evaluations** for programmes/activities which entail a spending of above EUR 500.000.

An ex-post evaluation working party was appointed by the Director on 21 March 2016. Performed with the support of an external contractor selected out of a framework contract of DG BUDG for audit activities, 2016 evaluations covered the following activities:

- ReferNet framework partnership agreements 2012-2015;
- Skills obsolescence and mismatch among EU workers;
- Travel Agency services - Eurostar ATEBE.

The three ex-post evaluations will be finalised by the second quarter 2017. The action plans of all evaluations are followed up systematically.

#### c) Audit activities 2016

As part of the **ex-post controls** plan, five Cedefop payments are audited. The five payments selected at random by the Internal Control coordinator were reviewed by Cedefop's Accountant who checked that all procedures have been followed and that the supporting documentation was in place and in-line with the Cedefop's financial rules. The report was delivered on 30 November 2016.

Following the decision in 2013 not to move to ABAC, Cedefop has been requested to conduct an annual internal **technical review of the Agency's Financial and Budgetary (Fibus) operating platform**. The second technical review was conducted in October 2015 concluding that there was no immediate technological threat in Fibus. A third technical review

was conducted in October 2016. The review confirmed that there was no immediate technological threat in Fibus

As foreseen in the 'Note on Internal controls ex-post' of 12 December 2012 and as recommended by the Internal Audit Service, Cedefop drafted a procedure and introduced on 23 September 2016 **annual ex-post controls** on a sample of its procurement procedures. A working group on ex-post controls was appointed by the Director on 28 September. The results of the ex-post controls were delivered in April 2017.

### II.7.3. European Court of Auditors (ECA)

The European Court of Auditors carried out its first visit from 14-18 November 2016 on Cedefop's annual accounts 2016. The audit concerned mainly procedures for commitments, payments and procurement. The visit led to one preliminary finding. The Centre submitted its reply to the preliminary finding on 12 January 2017. ECA carried out the related desk review and related results are expected by end of May 2017. The draft report on Cedefop's annual accounts 2016 will be submitted by ECA by 1 June 2017.

According to the new audit arrangements for the annual audits under Article 208 (4) of the Financial Regulation and Article 107 of the Framework Financial Regulation, Cedefop contracted an external audit company to audit Cedefop's 2016 accounts, based on a DG BUDG framework contract. The audit of the external audit company took place in April 2017.

### II.8. Follow up of observations from the discharge authority

The report on discharge in respect of the implementation of the budget of Cedefop for the financial year 2014 <sup>(82)</sup> was adopted by the European Parliament on 28 April 2016. The report outlines good practices of Cedefop and acknowledges the progress made in several issues including budget and financial management, procurement and recruitment procedures, internal audits and controls, performance and prevention and management of conflict of interest and transparency. The European Parliament praises Cedefop's content work on skills analysis and forecasts, apprenticeships, Europass, the country fiches on VET as part of the Agency's monitoring of the Bruges Communiqué and more generally the Centre's work on increasing the visibility of vocational education and training in the Union. The EP also notes with concern the risk that the '*Centre might be unable to treat unforeseen external demands from stakeholders due to its available resources already being overstretched*'.

More specifically, the EP:

- notes with satisfaction that the budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 98,93 %, at same level as in 2013; notes, furthermore, that the payment appropriations execution rate was at 95,68 %, representing an increase of 3,29 % compared with 2013;
- appreciates the continued efficiency of the Centre's support services in 2014; notes that 95 out of 98 posts in the establishment plan were filled and the average timeliness of payments remained stable;

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<sup>(82)</sup> <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+REPORT+A8-2016-0082+0+DOC+PDF+V0//EN> [accessed on 15/02/2017]

- notes that in October 2014 the Centre’s Governing Board adopted a policy on the prevention and management of conflicts of interests adapted to the Centre’s situation and comprising of the relevant situations of potential conflict of interests conceivable at the Centre; welcomes the regular training sessions organised by the Centre in order to raise awareness among its staff on the correct implementation of that policy; observes that the first training sessions took place in June 2015;
- notes that the Centre regularly performs a risk assessment and prepares a risk management plan (“RMP”) in order to identify the risks which could affect the achievement of the Centre’s objectives; notes with concern that the RMP indicates that there is a risk that the Centre is unable to treat unforeseen external demands from stakeholders due to its available resources already being overstretched; acknowledges that the Centre is closely monitoring the changes in its work programme in order to adjust it in line with available resources or to integrate the activities resulting from the changes appropriately;
- notes the Centre’s close cooperation with the ETF and EUROFOUND, which is formalised in cooperation agreements between these agencies as well as in previously agreed annual work programmes;
- appreciates that the Centre focused its activity on contributing to and supporting policies addressing youth unemployment; commends, in particular, the Centre’s skills forecasts and analyses as well as the work focusing on developing apprenticeships; takes note with satisfaction of the fact that the information from the detailed country fiches on vocational education and training policies, prepared by the Centre for all Member States, was reflected in the 2014 country-specific recommendations of the European Semester.

The table below outlines the recommendations for Cedefop discharge 2014, related progress and status on 31 December 2016.

<b>Rec. no.</b>	<b>Recommendations for Cedefop Discharge 2014</b>	<b>Progress as of 31/12/2016</b>	<b>Status / Opened issues</b>
5	Notes that the majority of members of the Centre’s Governing Board has signed the declarations of absence of conflict of interest; notes, moreover, that those declarations were published on the Centre’s website following the consent of the members in question; urges the members of the Governing Board which have not yet signed the declaration to do so as soon as possible;	<p>In line with Cedefop’s Policy on the Prevention and Management of Conflict of Interests adopted in October 2014 Cedefop has undertaken its duties to regularly remind and encourage the few members of the Governing Board who have not yet submitted such declarations to do so (latest reminders were sent out on 3 May 2017). Currently, only two declarations are missing.</p> <p>As a standard procedure, newly appointed Governing Board members are requested by Cedefop’s Director to sign the</p>	Ongoing

		declaration of absence of conflict of interest in compliance with Cedefop's aforementioned policy.	
7	States that the annual reports of the Centre could play an important role in compliance regarding transparency, accountability and integrity; calls on the Centre to include a standard chapter on those components in its annual report;	<p>Compliance regarding transparency, accountability and integrity are covered extensively in the Consolidated Annual Activity report which closely follows the Commission's guidelines.</p> <p>Cedefop will also include a standard chapter on these aspects in its annual report as of 2017</p>	Implemented
10	Notes that the periodic external evaluation of the Centre contained recommendations on how it could develop and strengthen its role; notes, furthermore, that in April 2014 the Centre drafted an action plan to follow up on those recommendations which was presented to its Governing Board; observes that 7 out of 23 recommendations and related actions were closed by the end of 2014; invites the Centre to inform the discharge authority of the advancements made regarding the implementation of the remaining recommendations;	By the end of 2016, 22 of the 23 recommendations and related actions have been closed. The remaining recommendation concerns a self-assessment of Cedefop's Governing Board which it is proposed to carry out in the second quarter of 2017. The Governing Board should consider the results of the self-assessment at its meeting in September 2017 and is expected to close the action plan.	Ongoing (only one recommendation to be closed)
14	Regrets that the repair works on the Centre's building in Greece were not finalised by the end of 2014; acknowledges, however, that the repairs are under the responsibility of the Government of the host Member State and that the relevant constructions works	The implementation of the repair works was finalised in December 2015. Egnatia Odos SA indicated that they will submit to Cedefop the signed final technical report by the end of May 2017.	Implemented

	<p>had to be suspended due to the economic situation in the host Member State; notes that the remaining works were to be finalised by the end of 2015 and calls on the Centre to further report to the discharge authority on this issue;</p>		
<p>16</p>	<p>Believes that the Centre should assist Member States which face the challenge of an increased number of refugees in making use of vocational training opportunities for integrating them in labour markets.</p>	<p>In 2016, to improve its understanding of the role of VET-related policies and successful strategies for the integration of migrants and refugees, Cedefop organised a specific event on the role of VET and VET-related skill development strategies as part of pre-arrival and national solutions aimed at early labour market integration of the current wave of people in clear need of international protection. The main aim of the event, organised in Rome on 3 October in cooperation with the OECD, was to facilitate policy learning among Member States and identify European level solutions. Representative from most Member States (Ministries of labour, education, and internal affair) actively participated.</p> <p>In the period 2017-2020 Cedefop will intensify this activity by launching a new research project on 'Complementary pathways for adult refugees: the role of VET, skills, and qualifications'.</p>	<p>Ongoing</p>

The report on discharge in respect of the implementation of the budget of Cedefop for the financial year 2015 <sup>(83)</sup> was adopted by the European Parliament on 27 April 2017 and published on 10 May 2017. Cedefop will prepare an action plan by end of June 2017 to address the recommendations.

The report outlines good practices of Cedefop and acknowledges the progress made in several issues including the follow-up of the 2014 discharge, budget and financial management, prevention and management of conflicts of interests and transparency, internal controls and performance.

More specifically, the European Parliament:

- notes with satisfaction that the budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 98,61 %, representing an increase of 3% compared to the previous year;
- appreciates the fact that the Centre remained actively committed to equal opportunities in recruitment and employment, with 61 % female and 39 % male staff and that it also aims to ensure geographical balance; welcomes the fact that women are well represented at all grades including at management level;
- notes that there was a downwards salary adjustment at the end of 2015; calls on the Centre to ensure that this does not lead to a negative impact on the living and working conditions of staff members and the Centre's ability to make its positions competitive and attractive;
- acknowledges the fact that, as a standard procedure, the Centre requested newly appointed governing board members to sign a declaration of conflicts of interests in compliance with the Centre's policy on the prevention and management of conflicts of interests adopted in October 2014; notes, moreover, that the Centre regularly reminded and encouraged the few members of the governing board which have not yet submitted a declaration of absence of conflict of interest to do so;
- notes that the Centre performs a regular risk assessment and prepares a risk management plan which is part of its annual work programme in order to identify the risks which could affect the achievement of the Centre's objectives; observes that the Centre evaluates risks based on their potential impact on the organisation and likelihood that risks will materialise; notes with satisfaction from its 2015 work programme that the Centre's management controlled the risks at activity and project level, with risk levels below the benchmark;
- understands that the Centre's management identified one generic risk above the benchmark concerning the issue of unforeseen (external) demands from stakeholders; notes that such demands from stakeholders, including the Union's institutions, may be difficult to meet with the Centre's available resources;
- notes that the Centre cooperates closely with the European Training Foundation (ETF) and the European Foundation for the Improvement of Living and Working Conditions (Eurofound) and that that cooperation is formalised in cooperation agreements between the three agencies as well as in previously agreed annual work programmes;
- notes that the repair works and structural strengthening were completed in 2015 but observes that the Centre still experiences various safety issues related to the building's glass façade and the skylights of the Centre's conference rooms; calls on the Centre to report to the discharge authority about the completion and effectiveness of the works, as

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<sup>(83)</sup> [http://www.europarl.europa.eu/RegData/seance\\_pleniere/textes\\_adoptes/provisoire/2017/0159/P8\\_TA-PROV\(2017\)0159\\_EN.pdf](http://www.europarl.europa.eu/RegData/seance_pleniere/textes_adoptes/provisoire/2017/0159/P8_TA-PROV(2017)0159_EN.pdf) [accessed 12/05/2017]

well as the issue of financial liability; further, calls on the Centre to assess whether the recurring problems with the current building call into question not only its economic viability, but, more importantly, the safety and security of its personnel;

- appreciates the good quality of the Centre's research, analyses and technical advice through which it supports the development of European lifelong learning and VET policies and contributes to their implementation to enable workers to acquire good skills and to contribute to achieving the goals set in the Europe 2020 strategy;
- welcomes the Centre's focus on competences and skills which among other objectives helps to better match vocational training to labour market demands and particularly welcomes the first European Skills and Jobs Survey as well as the launch of the new Skills Panorama; welcomes the fact that the Centre provided more country-specific information and analysis and expanded its support to individual Member States through expertise provided in connection with policy implementation.

## **PART II (B): EXTERNAL EVALUATIONS**

### External evaluation (2013)

The periodic external evaluation of Cedefop, required by the financial regulation was carried out by PPMI, a Lithuanian-based consultancy, for the European Commission. It was completed in December 2013 and the final report submitted.

The evaluation examined Cedefop's role in supporting European VET policy-makers between 2008 and 2012 and how it has responded to new demands resulting from developments in European VET policy over that period.

The evaluation found that Cedefop had been highly successful in implementing its objectives. Cedefop's work on modernising VET systems and analysing skills is highly esteemed and Cedefop is also recognised as a leading centre of expertise worldwide on qualifications frameworks and skills. Cedefop also had an important impact on strengthening cooperation between VET policy stakeholders in Europe. The evaluation also examined possible synergies between Cedefop, the ETF, Eurofound and EU-OSHA and concluded that Cedefop did not duplicate activities of any other actors at European, national or international level. The final evaluation report also makes recommendations on how Cedefop can develop and strengthen its role.

Cedefop, with the agreement of its Governing Board prepared an action plan to implement the recommendations. By the end of 2016, in agreement with the European Commission, 22 of the 23 recommendations and related actions have been closed. The remaining recommendation concerns a self-assessment of Cedefop's Governing Board which it is proposed to carry out in the second quarter of 2017. The Governing Board should consider the results of the self-assessment at its meeting in September 2017 and is expected to close the action plan.

### External evaluation (2017)

The next periodic external evaluation of Cedefop, required by the financial regulation, started in April 2017.

Cedefop is being evaluated with regards to its relevance, effectiveness, efficiency, coherence and EU added value. The evaluation covers the whole of Cedefop's thematic and geographical remit, including its role in dealing with cross-sector themes (for example, early school leaving). It is carrying out in depth case studies on the following projects: VET policy monitoring; apprenticeship country reviews; work on European tools (particularly EQF and Europass); forecasting skills demand and supply; and VET for labour market integration, social inclusion and adult learning.

In addition, using a cross-cutting perspective, the evaluation will identify potential synergies and overlaps with Cedefop and three other EU agencies (the European Training Foundation, the European Foundation for the Improvement of Living and Working Conditions and the European Agency for Safety and Health at Work), as well as with the European Commission and other relevant EU instruments and networks, concerning their objectives, activities, governance and internal organisation. The evaluation is examining possible duplications and/or opportunities for deeper cooperation with agencies and other relevant EU instruments and networks not under DG Employment's remit, but working in close areas, such as the Fundamental Rights Agency, the European Institute for Gender Equality and Eurydice. It is

also looking at possible synergies and overlaps with alternative forums where social partners can participate.

The evaluation period is 2013 to 2016. It will consider to what extent the findings of the 2017 evaluation are in line with the findings of the 2013 evaluation and will help to assess whether future revisions of Cedefop's Founding Regulation are needed. The Commission indicated that the evaluation is expected to be completed by the end of 2017.

### **III. PART III: ASSESSMENT OF THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEMS**

Cedefop adopted revised internal Control Standards (ICS) in 2009 aimed to ensure the achievement of policy and operational objectives. The Agency implemented all ICS and the baseline requirements were fully met by the end of 2012. In addition, as regards financial management, compliance with these standards is a compulsory requirement.

Cedefop put in place the organisational structure and the internal control systems suited to the achievement of the policy and control objectives, in accordance with the standards and having due regard to the risks associated with the environment in which the Agency operates.

#### **III.1. Risk Management**

The Agency's risk assessment exercise is a form of ex-ante evaluation of activities/projects which considers generic risks at organisational level.

Risks are evaluated based on their potential impact on the organisation (scale 1 to 5) and likelihood that risks will materialise (scale 1 to 5). Multiplication of the two indicators provides the risk level. Residual risks are a result of assessment of original risk levels and expected results of mitigating actions. Risks for which residual levels are 15 or higher become part of the risk management plan, which is an integral part of the work programme, and are closely followed up by management.

The 2016 risk management plan contains two risks:

- one risk on activity/project level: Common European tools, qualifications and learning outcomes - The European Commission decides to entrust Cedefop with the development of a 'single integrated service'. This will have substantial repercussions on the achievement of the agreed objectives for 2016 for all EU tools, including the skills panorama, as well as the work on qualifications and learning outcomes;
- one generic risk: Unforeseen demands by stakeholders - Delivery/quality is affected as demands from stakeholders, including European institutions, are not backed up by additional resources and so overstretch available resources without allowing activities to be well-planned and aligned. This may affect Cedefop's reputation and the quality and impact of the outcomes it produces.

The risk management plan (RMP) and related mitigating actions are followed up by the internal control coordinator. The 2016 risk management plan, including the actions planned to mitigate the risks, is attached in Annex IX.

#### **III.2. Compliance and effectiveness of Internal Control Standards**

Adapted to the needs and reality of the Agency, Cedefop Internal Control Standards follow the framework outlined in the communication SEC (2007) 1341 of 16 October 2007 of the Commission.

The revised ICS adopted by Cedefop's Governing Board as from 1 January 2009 are structured in six building blocks:

- (1) Mission and values;

- (2) Human resources;
- (3) Planning and risk management processes;
- (4) Operations and control activities;
- (5) Information and financial reporting;
- (6) Evaluation and audit.

The effectiveness of the internal control takes into consideration its management, supervision processes and audits reports and in particular:

- a) the planning, monitoring and reporting processes: already existing guidelines and workflows are updated when needed to be kept in line with the latest rules and which are the object of regular staff trainings performed by Human Resources, Finance and Procurement services, under the supervision of the Internal Control Coordinator;
- b) the Performance Measurement System against which progress is measured;
- c) the financial and human resources management processes, regularly monitored by management throughout the year;
- d) the Activity Based Budgeting (ABB) and time recording systems, regularly monitored by management throughout the year;
- e) the risk assessment process that is performed annually and reviewed throughout the year to consider emerging risks or the need for additional mitigating actions. The Risk Management Plan is amended in case critical and highly probable new risks are identified.
- f) the annual report on exceptions and non-compliances events. In 2016, seven exceptions were recorded, six out of seven triggered from non-compliance events. The 2016 report on exceptions <sup>(84)</sup> confirms that Cedefop's internal control system is well functioning.
- g) the ex-ante and ex-post evaluations carried out on all programmes and activities which entail significant spending.
- h) the ex-post control procedures on payments and evaluations, as well as the procedure on ex-ante control on procurement procedures provide an additional assurance that controls are in place and well-functioning.

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented.

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<sup>(84)</sup> RB(2017)00289

## **IV. PART IV: MANAGEMENT ASSURANCE**

### **IV.1. Review of the elements supporting assurance**

Cedefop's internal control system is built under the direct supervision of the management.

Taking account Cedefop's size, a flat hierarchical structure has been adopted. Heads of Departments delegate various functions such as staff assessment of contract agents or contract implementation to Heads of Service and experts.

Heads of Departments, Heads of Service and experts are closely and actively involved in the planning, risk assessment as well as in the reporting and monitoring processes. This not only assures alignment of objectives but also ensures a common understanding of the strategic objectives and the annual Work Programme.

Planning and monitoring tools for the Activity Based Budget, procurement, events and publications have been developed and are used to inform management decisions.

A comprehensive set of procedures and guidelines was developed to build and implement the Internal Control System. All main procedures have been documented, backups appointed (as also outlined in the job descriptions of staff) and regular trainings performed to ensure implementation of the annual work programme and effective controls.

Additionally, departments meetings and project team meetings or written briefings by the Heads of Departments/Services are used to inform all staff of relevant issues and new developments.

The Director in his capacity as authorising officer and the authorising officers by delegation in their areas of responsibility base their assurance declarations on the results of their direct management supervision. Statements of assurance delivered to the Director by the Deputy Director, Internal Control Coordinator (ICC), Heads of Department and Heads of Service represent an additional layer of internal control and assurance.

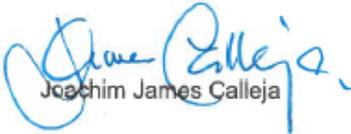
### **IV.2. Reservations (where applicable)**

Not applicable.

### **IV.3. Overall conclusion on assurance (where applicable)**

Not applicable.

## V. PART V: DECLARATION OF ASSURANCE

	<b>CEDEFOP</b>	European Centre for the Development of Vocational Training
<hr style="border: 1px solid blue;"/>		
DIRECTOR		RB(2017)01145 Thessaloniki, 25 May 2017
 <b>DECLARATION OF THE DIRECTOR</b>  		
I, the undersigned,		
Director of Cedefop		
In my capacity as authorising officer		
Declare that the information contained in this report gives a true and fair view <sup>(1)</sup> ,		
State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.		
This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the ex-post and ex-ante evaluations, ex-post controls and other sources of assurance as steered by the Internal Control Coordinator, the observations of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.		
Confirm that I am not aware of anything not reported here which could harm the interests of Cedefop.		
 Joachim James Calleja Director		
Thessaloniki, 25.05.2017		
 <hr style="width: 20%; margin-left: 0;"/>		
<sup>(1)</sup> True and fair in this context means a reliable, complete and correct view on the state of affairs in the Centre		
 <hr style="border: 0.5px solid blue;"/>		
Europe 123, 570 01 Thessaloniki (Pylea), GREECE   Postal address: PO Box 22427, 551 02 Thessaloniki, GREECE Tel. +30 2310490111   Fax +30 2310490049   E-mail: <a href="mailto:info@cedefop.europa.eu">info@cedefop.europa.eu</a>   <a href="http://www.cedefop.europa.eu">www.cedefop.europa.eu</a> Direct line: +30 231049040 Fax +30 2310490102   <a href="mailto:Joachim.James.Calleja@cedefop.europa.eu">Joachim.James.Calleja@cedefop.europa.eu</a>		
<small>page 1 of 1</small>		

## ANNEXES

## Annex I: Core business statistics

Type	Indicator	2014	2015	2016
<b>Outcome indicators</b>				
<b>Evidence to inform policies and their implementation</b>	Policy documents citing Cedefop work			
	by EU institutions	97	107	167
	by international organisations	31	56	88
	Policy documents to the preparation of which Cedefop has participated			
	of EU institutions	127	114	48
	of international organisations	7	13	3
	Participation in Presidency events and meetings of senior stakeholders or which support policy	164	172	191
<b>New knowledge and insights generated</b>	Downloads of Cedefop publications <sup>85</sup>			
	All Publication downloads	<i>2014 data are not comparable as a new measurement tool was introduced in 2015</i>	469 000	472 200
	of which briefing notes		71 800	88 400
	Citations of Cedefop publications/studies in the literature	479	604	591
	Participation in conferences and events	78	70	78
	Quality of events organised by Cedefop (participants thought event was very good or good)	92%	95%	96%
<b>Raised awareness among stakeholders</b>	Web site traffic			
	Visits	331 000	393 000	438 000
	Page views	929 000	1 266 000	1 269 000
	Media coverage, take-up of articles and press releases	745	544	856
	Europass outcomes among citizens			
	Visits to Europass website	21.75 m	23.90 m	27.01 m
	Downloads of Europass documents	15.98 m	16.24 m	14.96 m
	Europass CVs generated online	12.49 m	18.31 m	19.28 m

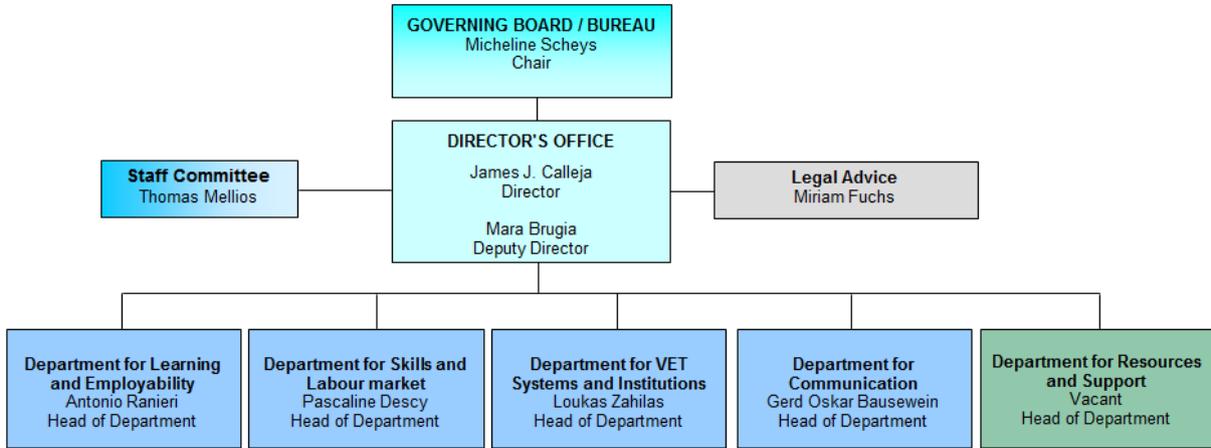
<sup>(85)</sup> For comparability purposes, 2015 figures have been revised following a new improved methodology

## Annex II: Statistics on financial management

Type	Indicator	2014	2015	2016
Efficient and effective support services	Internal support services - Resources			
	Percentage of establishment plan filled	97%	98%	98%
	% of budget executed	99.10%	98.55%	99.99%
	Timeliness of payments (number of days to make payments)	12.5	16.28	14.01

**Annex III: Organisational chart**

Situation on 31 December 2016



## Annex IV: Establishment plan

### Annex IV a: Establishment plan 2016

Department for Resources and Support  
Human Resources Service

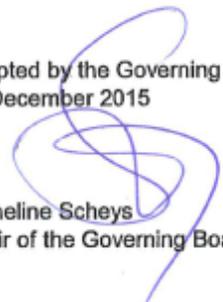
Establishment Plan 2016

ANNEX I  
17.12.15  
Jan 17.11.15

EUROPEAN CENTRE FOR THE DEVELOPMENT OF VOCATIONAL TRAINING		
Categories and grade	Table of posts	
	2016	
	Permanent posts	Temporary posts
AD16		
AD15		1
AD14		1
AD13		2
AD12	4*	4
AD11		10
AD10		10
AD9		5
AD8		5
AD7		4
AD6		2
AD5		
<b>Total AD</b>	<b>4</b>	<b>44</b>
AST11		1
AST10	1	1
AST9		2
AST8	2	2
AST7	3	7
AST6	4	5
AST5	2	6
AST4		10
AST3		
AST2		
AST1		
<b>Total AST</b>	<b>12</b>	<b>34</b>
<b>Grand Total</b>	<b>16</b>	<b>78</b>
		<b>94</b>

\* On 1 January 2016, there are 5 AD 12 permanent posts, one of which will be cut as a result of the departure of 1 staff member.

Adopted by the Governing Board by written procedure  
17 December 2015

  
Micheline Scheys  
Chair of the Governing Board

**Annex IV b: Results of the screening exercise 2016**

<b>Job Type (sub) category</b>	<b>Year 2015 (%)</b>	<b>Year 2016 (%)</b>
<b>Administrative support and Coordination</b>	24.35%	23.75%
Administrative Support	21.26%	20.72%
Coordination	3.09%	3.04%
<b>Operational</b>	66.71%	67.48%
Top Level Operational Coordination	5.5%	4.72%
Programme Management & Implementation	61.21%	62.75%
Evaluation & Impact Assessment	0%	0%
General operational	0%	0%
<b>Neutral</b>	8.94%	8.77%
Finance/Control	8.25%	8.77%
Linguistics	0.69%	0%

## Annex V: Human and financial resources by activity

On 31 December 2016, 92 of the 94 posts on the establishment plan were occupied which translates into an occupation rate of 98%.

During the financial year under consideration (2016), staff movements were as follows:

	Staff on 31/12/2015	Increase			Reduction			Staff on 31/12/2016
		Internal movements	Recruit.	Total	Internal movements	Depart.	Total	
	(a)	(b)	(c)	(d)=(b+c)	(e)	(f)	(g)=(e+f)	(h)
OFF	17					1	1	16
TEMP	77		1	1		2	2	76
SNE	4					1	1	3
CTST	25		1	1				26
<b>Total</b>	<b>123</b>			<b>2</b>			<b>4</b>	<b>121</b>

### Activity Based Budget 2016

## CEDEFOP

## ABB DECEMBER 2016

### Compact report

Activity Name	*FTE		Title 1	Title 2	Title 3	Total		
	Initial	Current				Initial	Current	(%)
Policy analysis and reporting	29,46	27,51	2.432.483,34	389.035,57	1.795.996,10	4.617.515,01	4.417.318,48	95,66%
Common European tools, qualifications and learning outcomes	21,06	20,10	1.883.876,66	278.077,04	782.466,31	2.944.420,01	2.922.295,70	99,25%
Empowering adults and young people	31,46	31,44	2.490.428,84	415.477,54	1.501.695,49	4.407.601,87	4.433.469,58	100,59%
Skills analysis	26,89	25,96	2.296.421,23	355.063,02	1.590.511,30	4.241.995,55	4.449.578,86	104,89%
External communication	8,14	8,07	666.465,34	107.554,88	181.042,53	955.062,75	930.438,74	97,42%
Documentation and information	6,96	6,94	600.319,84	91.791,80	161.236,96	853.348,60	814.180,05	95,41%
	ABB :	123,97	120,02	10.369.995,25	1.636.999,85	6.012.948,69	18.019.943,79	
	Budget 2016 :			10.370.000,00	1.637.000,00	6.012.949,00	18.019.949,00 <sup>(1)</sup>	

\*FTE: The FTE comprises of a) the direct staff allocation and b) the redistribution of staff in support or non-operational activities. The initial redistribution key is based on the planned costs while the "current" is based on the activities' actual costs (blocked).

(1) Total Draft Budget comprises:	
EU Subsidy:	17,434,000 EUR
DG EMPL:	100,000 EUR
N&I contributions :	475,949 EUR
Cedefop own revenue (Title 3):	10,000 EUR
<b>TOTAL:</b>	<b>18,019,949 EUR</b>

**Annex VI: Draft annual accounts and financial reports**

Thessaloniki, 10<sup>th</sup> April 2017  
RB(2017)00739

**Provisional Annual Accounts**

**Amended 10 April 2017**

**Financial year 2016**



## **Introduction**

In accordance with Articles 92 and 93 of the financial rules of Cedefop (the European Centre for the Development of Vocational Training), hereafter “the Financial Rules”, adopted by the Governing Board on 9 January 2014 and replacing the former financial rules adopted by the Governing Board on 5 June 2009, Cedefop’s annual accounts comprise:

- ❑ the report on budgetary and financial management;
- ❑ the reports on implementation of the budget of the Centre;
- ❑ the financial statements of the Centre.

The accounts are kept in accordance with the provisions of Cedefop Decision of 9 January 2014, as supplemented by a Decision laying down detailed rules for the implementation of that Decision, adopted by the Governing Board on 3 June 2014 and replacing the former implementing rules adopted by the Governing Board on 17 December 2010.

The Centre has non-differentiated appropriations for administrative expenditure (Titles 1 and 2) and differentiated appropriations for operational expenditure (Title 3).

The accounts are kept in Euro, and the revenue and expenditure account and the balance sheet are presented in Euro. Operations are carried out at the monthly accounting rates in force when they are transacted. The Euro exchange rate used for the preparation of the balance sheet is the rate applicable on 31 December.

The subsidies received from Norway and Iceland are subsumed into the budget along with the subsidy from the Commission.

### **Certification**

The provisional annual accounts of Cedefop (the European Centre for the Development of Vocational Training) for the year 2016 have been prepared in accordance with the Title IX of the Financial Regulation applicable to the general budget of the European Union, the accounting rules adopted by the Commission's Accounting Officer and the accounting principles and methods adopted by myself.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of Cedefop in accordance with Article 68 of the Financial Regulation.

I have obtained from the authorising officer, who certified its reliability, all the information necessary for the production of the accounts that show Cedefop's assets and liabilities and the budgetary implementation.

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of Cedefop.

Stephen Temkow - Agency Accountant



Thessaloniki 10 April 2017



**REPORT ON BUDGETARY AND  
FINANCIAL MANAGEMENT  
FINANCIAL YEAR 2016**

---

**1. INTRODUCTION****1.1. Legal basis – financial rules**

This report on budgetary and financial management has been prepared in accordance with Articles 93 and 94 of the Financial Rules.

**1.2. IT management systems**

Budgetary accounting is provided by Fibus, a software application developed within Cedefop which covers general accounting and budgetary accounting.

The various budgetary and financial reports are produced using the Fibus application.

The integration of the two sets of accounts guarantees that all budgetary operations are included in the general accounts.

A reconciliation of the two sets of accounts is included in the Annex.

**1.3. Nomenclature of appropriations**

The nomenclature of appropriations is defined by the Governing Board (Article 36 of the Financial Rules and Article 12 of the Implementing Rules) and is subdivided into three titles.

- Title 1: Staff
- Title 2: Infrastructure and operating expenditure
- Title 3: Operational expenditure

In order to provide a more detailed analysis of costs in relation to the work programme, Title 3 is subdivided into chapters, with each operational department having its own chapter.

Note: in 2015 Cedefop reorganised its operational departments to better reflect the three essential elements of its work. The agency's budget was amended and republished to reflect these changes. See the conclusions at the end of this section for further details.

Chapter 32: Skills and Labour Market (previously: Research and Policy Analysis)

Chapter 33: VET Systems & Institutions (previously: Enhanced cooperation in VET and LLL)

Chapter 34: Learning and Employability (New)

Chapter 35: Communication (previously: Communication, information and dissemination)

Chapters 30 & 31: transversal activities & use of assigned revenue respectively.

#### **1.4. Non-automatic carryovers of appropriations**

No non-automatic carryovers were made from 2016 to 2017.

#### **1.5. Supplementary and amending budget**

In December 2013 the Centre was granted a supplementary and amending budget to the value of Euro 1 100 000; Euro 600 000 of this total was entered in the 2013 budget. The first Euro 600 000 relating to the grant were received in 2014 and a second tranche of Euro 445 000 received in 2015. The grant is treated as external assigned revenue and is to fund studies requested by DG Employment in the field of labour skills demand and supply. No additional funds were received in 2016. After expenditure in 2016 the year-end balance of funds held as part of this Contribution Agreement was Euro 416 609.

#### **1.6. Monies received**

Amounts received in consideration of expenditure are entered in the accounts as a reduction in the expenditure if they are received in the same financial year as the expenditure is made and as sundry revenue if they are received in a subsequent financial year. As of 2014 amounts received as interest accruing on bank accounts constitutes revenue for Cedefop.

#### **1.8. Debit Notes**

The Centre issued six debit notes in 2016 for a total value of Euro 206 459. Their breakdown being: the request for Iceland's 2016 contribution (Euro 15 691), the request for the final tranche of a DG EMPL grant (Euro 131 629), a claim for interest due to the late refund on outstanding VAT from the Greek authorities (Euro 57 930) and sundry claims for expenses to be reimbursed generally being travel related - (Total Euro 1 209).

**Evolution of commitment appropriations of the European Centre for the Development of Vocational Training (Cedefop) for the financial year 2016**

Article Item	Heading	Initial Budget	Transfers	Final budget
	<b>Title 1 - STAFF EXPENDITURE</b>	<b>10,370,000</b>	<b>-298,878</b>	<b>10,071,122</b>
	<b>Title 2 - ADMINISTRATIVE</b>	<b>1,637,000</b>	<b>-10,309</b>	<b>1,626,691</b>
	<b>Title 3 OPERATING EXPENDITURE</b>			
<b>3 0</b>	<b>TRANSVERSAL ACTIVITIES</b>	<b>260,000</b>	<b>52,500</b>	<b>312,500</b>
3050	Management Board meetings	160,000	-41,354	118,646
3070	Transversal technical support	100,000	93,854	193,854
<b>3 1</b>	<b>PARTICIPATION OF NON-MEMBER STATES IN THE OPERATIONAL WORK PROGRAMME</b>	<b>100,000</b>	<b>0</b>	<b>100,000</b>
3100	Participation of Non-Member states	0	0	0
3122	DG employment Grant	100,000	0	100,000
<b>32</b>	<b>SKILLS AND LABOUR MARKET (previously: Research and Policy Analysis)</b>	<b>2,301,000</b>	<b>250,205</b>	<b>1,650,205</b>
3200	Missions, meeting, interpretation	200,000	-21,000	179,000
3240	Pilot studies and projects	1,200,000	271,205	1,471,205
<b>3 3</b>	<b>VET SYSTEMS AND INSTITUTIONS (previously: Enhanced cooperation in VET and LLL)</b>	<b>2,240,000</b>	<b>-36,340</b>	<b>2,203,660</b>
3300	Missions, meetings, interpretation	290,000	-47,300	242,700
3330	ReferNet annual grants (Specific Grant Agreements) (was 3250)	980,000	-17,737	962,263
3331	ReferNet other cost	80,000	44,577	124,577
3340	Pilot studies and projects	890,000	15,880	874,120
<b>34</b>	<b>LEARNING AND EMPLOYABILITY (new)</b>	<b>1,340,000</b>	<b>28,640</b>	<b>1,368,640</b>
3400	Missions, meetings, interpretation	250,000	-24,000	226,000
3440	Pilot studies and projects	1,090,000	52,640	1,142,640
<b>3 5</b>	<b>COMMUNICATION (previously: Communication, information and dissemination)</b>	<b>662,949</b>	<b>14,182</b>	<b>687,131</b>
3500	Missions, meeting, interpretation	45,000	-8,818	36,182
3510	Publications and dissemination	163,000	103,400	276,400
3520	Translation expenses	119,500	17,000	136,500
3540	Establishment of operational documentation	103,000	-3,100	99,990
3541	Contracts for update and maintenance of databases	194,000	-76,300	117,700
3546	Promotional activities and public relations	38,449	-18,000	20,449
	<b>Title 3 – TOTAL</b>	<b>5,902,949</b>	<b>309,187</b>	<b>6,322,136</b>
	<b>GRAND TOTAL</b>	<b>18,019,949</b>	<b>0</b>	<b>18,019,949</b>

**Evolution of payment appropriations of the European Centre for the Development of Vocational Training (Cedefop) for the financial year 2016**

<b>Heading</b>	<b>Initial Budget</b>	<b>Transfers</b>	<b>Estimated Assigned Revenue</b>	<b>Final Budget</b>
<b>Title 1 - STAFF EXPENDITURE</b>	10,370,000	-298,878		10,071,122
<b>Title 2 - ADMINISTRATIVE</b>	1,637,000	-10,309		1,626,691
<b>Title 3 OPERATING EXPENDITURE</b>	5,427,000	309,187	10,000	5,746,187
<b>TOTAL</b>	<b>17,434,000</b>	<b>0</b>	<b>10,000</b>	<b>17,444,000</b>
<b>Grant Norway &amp; Iceland</b>	475,949			475,949
<b>GRAND TOTAL</b>	<b>17,909,949</b>	<b>0</b>	<b>10,000</b>	<b>17,919,949</b>

**2 BUDGET IMPLEMENTATION 2016**

Revenue			Expenditure										
Source of Revenue	Revenue entered in the final budget for the financial year	Revenue received for the financial year	Allocation of expenditure	Final budget appropriations for the financial year					Appropriations carried over from previous years				
				Entered	Committed	Paid	Carried Over	Cancelled	Available	Committed	Paid	Carried Over	Cancelled
Own revenue			Title I Staff (NDA)	10,071,122	10,070,267	9,917,376	152,891	855	94,735	94,735	70,266		24,469
Union contribution	17,434,000	17,434,000											
Other subsidies	475,949	475,949	Title II Administration (NDA)	1,626,691	1,625,988	1,180,442	445,546	703	477,994	477,994	452,818		25,176
Other revenue	10,000	555	Title III Operational Activities (DA)										
			- CA	6,222,136	6,221,584			0	0				
			- PA	6,222,136		5,933,093	0	289,043		0		0	0
Assigned revenue	100,000	0	Assigned revenue	100,000	99,982	7,527	92,473	0	1,230,780	791,409	910,524	320,255	0
Total	18,019,949	17,910,504	Total CA	18,019,949	18,017,821		690,910	2,110	1,803,509	1,364,139		320,255	49,645
			Total PA	18,019,949		17,038,438	690,910	290,601	1,803,509		1,433,609	320,255	49,645

**2.1. Appropriations for the current financial year: Analysis of the use of appropriations and of the main changes compared with the previous year.**

**2.1.1. Title 1: Staff**

Budget item and heading		2016			2015		Change comm. % 2016/ 2015
		Final budget	Comm.	Payments	Comm.	Payments	
110	Officials and temporary staff occupying a post (includes Social Security contributions, supplementary services and weightings)	7,740,580	7,740,580	7,740,580	7,737,412	7,737,412	0%
1111	Seconded national experts	168,361	168,361	168,191	138,712	138,712	21%
1112	Contract staff	1,169,624	1,169,623	1,169,623	1,027,848	1,027,848	14%
1113	Trainees	103,422	103,422	103,422	88,350	88,350	17%
114	Miscellaneous allowances and grants	167,561	167,560	167,560	166,912	166,912	0%
120	Allowances and expenses on leaving and entering the service	174,732	174,731	142,381	145,664	133,040	20%
130	Mission expenses	91,187	91,187	88,146	104,000	92,342	-12%
143	Medical service	13,500	13,500	11,048	46,809	41,061	-71%
149	Other expenditure	129,370	129,366	124,373	89,917	88,097	44%
150	Training	150,000	149,973	91,476	148,695	97,524	1%
160	Supplementary services	126,785	126,710	81,993	83,418	73,246	52%
170	Representation expenses	36,000	35,255	28,585	17,843	16,301	98%
	<b>TITLE 1 – TOTAL</b>	<b>10,071,122</b>	<b>10,070,267</b>	<b>9,917,376</b>	<b>9,795,580</b>	<b>9,700,844</b>	<b>2%</b>

**Significant variations from 2015 to 2016 in commitments can be explained by:**

1111 (Seconded national experts) – The relative increase in 2016 derives from the fact that 2015 had witnessed a drop of -18% as two new seconded national experts took up duties late in 2015.

1112 (Contract staff) – The 2016 figures reflect increased staff costs related to 2 recruitments and increased financial support for schooling of children of Cedefop staff, based on a Director decision.

1113 (Trainees) – the number of trainees was higher compared to 2015.

1200 (Allowances and expenses on leaving and entering the service) – The higher amount in 2016 was related to an increased number of installation allowances and payments related to departures compared to the year before. These costs tend to be borne in the year subsequent to recruitment.

1300 (Mission expenses) – The individual cost of missions in 2016 was lower.

1430 (Medical service) – 2016 expenditure was lower due to the unfruitful procurement procedure for a new Cedefop medical officer.

1490 (Other expenditure) – The 2016 figures reflect increased financial support for schooling of children of Cedefop staff, based on a Director decision.

1600 (Supplementary services) – Two surveys funded from this budget line in 2016 led to an increase in commitments.

1700 (Representation expenses) – The increase of the budget of Cedefop's sports and leisure club led to higher expenditure.

During the financial year under consideration, staff movements were as follows:

	Staff on 31/12/2015	Increase			Reduction			Staff on 31/12/2016
		Internal movements	Recruit.	Total	Internal movements	Depart.	Total	
	(a)	(b)	(c)	(d) = (b + c)	(e)	(f)	(g) = (e + f)	(h) = (a + d - g)
<b>OFF</b>	17			0		1	1	16
<b>TEMP</b>	77		1	1		2	2	76
<b>SNE</b>	4			0		1	1	3
<b>CTST</b>	25		1	1			0	26
<b>Total</b>	<b>123</b>			<b>2</b>			<b>4</b>	<b>121</b>

On 31 December 2016, 92 out of the 94 posts on the establishment plan were occupied and there were two ongoing selection procedures.

The distribution by grade of occupied posts in the establishment plan is attached to this document in the Annex to the Financial Statements.

#### 2.1.2. Title 2: Infrastructure and operating expenditure

		2016			2015		Change comm. in % 2016/2015
		Final budget	Comm.	Payments	Comm.	Payments	
20	Building	738,759.00	738,469.72	672,137.26	634,363.37	577,692.48	16%
21	IT	598,810.00	598,501.59	328,627.60	580,891.24	396,093.84	3%
22	Equipment and furniture	7,728.00	7,728.00	7,274.11	109,808.01	80,206.46	-93%
23	Administrative expenses	94,618.00	94,614.48	66,910.90	82,668.36	75,643.14	14%
24	Postal charges and telecommunic ations	178,693.00	178,591.59	98,406.76	281,466.88	86,686.30	-37%
25	Meeting expenses	8,083.00	8,082.31	7,085.14	11,700.00	6,581.33	-31%
	<b>TITLE 2 TOTAL</b>	<b>1,626,691.00</b>	<b>1,625,987.69</b>	<b>1,180,441.77</b>	<b>1,700,897.86</b>	<b>1,222,903.55</b>	<b>-4%</b>

**The significant variation from 2015 to 2016 can be explained by:**

- Chapter 20: (Building): an increase in the expenditure (16%) on building maintenance works and services attributed to unforeseen works needed to replace the glass façade of the building and the skylights of the three conference rooms.
- Chapter 22: (Equipment and furniture): significant decrease (93%) in expenditure as 2015 saw significant activity in the budget line reflecting the purchase of technical equipment following the refurbishing of further conference rooms and new meeting and training rooms.
- Chapter 23: (Administrative): an increase (14%) in expenditure on administrative expenditure due additional legal costs incurred (translations of legal documents) in 2016.
- Chapter 24: (Post and telecommunications): the decrease of 37% was recorded mainly due to investments on telecommunication equipment which occurred in 2015 and did not repeat in 2016.

At the end of 2016 the Centre carried forward Euro 152 891 of Title 1 (1.5% of total) and Euro 445 546 of Title 2 (27.4% of total) appropriations.

The corresponding figures for the previous year were Euro 94 735 for Title 1 and Euro 477 995 for Title 2.

**2.1.3. Title 3: Operational expenditure (commitments) excluding Grants**

Chapter	-	2016			2015		
		Final budget	Comm.	%	Final budget	Comm.	%
30	<b>TRANSVERSAL ACTIVITIES</b>	312,500	312,500	100.00%	217,930	217,929	100.00%
32	<b>SKILLS AND LABOUR MARKET</b> (previously: Research and Policy Analysis)	1,650,205	1,650,125	100.00%	988,690	988,690	100.00%
33	<b>VET SYSTEMS AND INSTITUTIONS</b> (previously: Enhanced cooperation in VET and LLL)	2,203,660	2,203,570	100.00%	2,338,090	2,332,076	99.74%
34	<b>LEARNING AND EMPLOYABILITY</b> (new)	1,368,640	1,368,633	100.00%	2,029,610	2,029,610	100.00%
35	<b>COMMUNICATION</b> (previously: Communication, information and dissemination)	687,131	686,757	99.95%	827,785	826,964	97.70%
	<b>TITLE 3 - TOTAL</b>	<b>6,222,136</b>	<b>6,221,584</b>	<b>99.99%</b>	<b>6,402,105</b>	<b>6,395,269</b>	<b>99.89%</b>

Transversal activities cover the costs relating to the Governing Board meetings and transversal technical (IT) support.

Each Department has its own lines for the costs of missions, meetings and interpretation, pilot studies and projects. Budget lines by Department for translation and publications expenses are included in chapter 35 of the Communications Department.

Cedefop continues to fully utilise all its operational funding year on year with an implementation rate for 2016 of 99.99%.

2.1.4. Title 3: Operational expenditure (Payment Appropriations) excluding Grants and Norway and Iceland

Heading	Initial Budget	Transfers	Estimated Assigned Revenue	Final Budget	Payments	Balance
Title 1 – Staff	10,370,000	-298,878		10,071,122		
Title 2 - Administrative	1,637,000	-10,309		1,626,691		
Title 3 - Operational	5,427,000	309,187	10,000	5,746,187	5,457,144	289,043
<b>Total</b>	<b>17,434,000</b>	<b>0</b>	<b>10,000</b>	<b>17,444,000</b>	<b>5,457,144</b>	<b>289,043</b>
Grant						
Norway & Iceland	475,949			475,949	475,949	0
<b>Grand Total</b>	<b>17,909,949</b>	<b>0</b>	<b>10,000</b>	<b>17,919,949</b>	<b>5,933,093</b>	

Payment appropriations for Title 3 following transfers but excluding Norway and Iceland funds came to a total of Euro 5 746 187 of which Euro 5 457 144 were disbursed.

## 2.2. Other classes of appropriations

### 2.2.1 Assigned revenue received – previous financial year – Class L

	Appropriations carried over	Comm.	Payments	Comm./Bud.	Carried-over	Cancelled
Title 1 – Staff	-	-	-	-	-	-
Title 2 - Administrative expenditure	-	-	-	-	-	-
Title 3 - Operational expenditure	3.56	3.56	-	100.00%	3.56	-
<b>Total</b>	<b>3.56</b>	<b>3.56</b>	-	<b>0.00%</b>	<b>3.56</b>	-

Class L Title 3 costs relate to translation and editing costs for the operational departments and onsite technical support. These remaining funds will be utilised in 2017.

### 2.2.2 Appropriations carried over automatically from 2015 to 2016 – Class A for Titles 1 and 2 (operational expenditure being treated as differentiated appropriations).

	Appropriations carried over	Commitments carried over	Payments	Pay/comm.	Cancelled
Title 1 – Staff	94,735.48	94,735.48	70,266.43	74%	24,469.05
Title 2 - Administrative	477,994.31	477,994.31	452,818.38	95%	25,175.93
<b>Total</b>	<b>572,729.79</b>	<b>572,729.79</b>	<b>523,084.81</b>	<b>91%</b>	<b>49,644.98</b>

Class A represents funds carried over from the previous year.

### 2.2.3. Assigned revenue

MONITORING TABLE FOR ASSIGNED REVENUE 2016								
DG EMPL projects & third countries	BALANCE: total carryovers on 31/12/15	New funds	Payment in 2016	Funds returned	Carryover balance - present	New approp. 2016	Payment in 2016	Balance
	a	b	c	d	e=a+b-c-d	e	f	h=d+e-f
Participation Norway 2016						460,258.00	460,258.00	0.00
Participation Iceland 2016						15,691.00	15,691.00	0.00
<b>Total projects 2016</b>	<b>0.00</b>		<b>0.00</b>		<b>0.00</b>	<b>475,949.00</b>	<b>475,949.00</b>	<b>0.00</b>
Participation Norway 2015	498,612.40		498,612.40		0.00			0.00
Participation Iceland 2015	13,947.00		13,947.00		0.00			0.00
<b>Total projects 2015</b>	<b>512,559.40</b>		<b>512,559.40</b>		<b>0.00</b>			<b>0.00</b>
Contribution Agreement VS/2013/0554	641,958.73		225,349.86		416,608.87			416,608.87
<b>Total projects 2014</b>	<b>641,958.73</b>		<b>225,349.86</b>		<b>416,608.87</b>			<b>416,608.87</b>
Contribution Agreement no30/CE-0538371/00-03	36,671.00		168,300.00		-131,629.00			-131,629.00
Participation Norway 2012	3,334.46		0.00		3,334.46			3,334.46
<b>Total projects 2012</b>	<b>40,005.46</b>		<b>168,300.00</b>		<b>-128,294.54</b>			<b>-128,294.54</b>
Participation Norway 2011	36,252.45		11,842.00		24,410.45			24,410.45
<b>Total projects 2011</b>	<b>36,252.45</b>		<b>11,842.00</b>		<b>24,410.00</b>			<b>24,410.45</b>
Other assigned revenue 2007	3.56		0.00		3.56			3.56
<b>Total projects 2007</b>	<b>3.56</b>		<b>0.00</b>		<b>3.56</b>			<b>3.56</b>
<b>TOTAL</b>	<b>1,230,779.60</b>		<b>918,051.26</b>	<b>0.00</b>	<b>312,728.34</b>	<b>475,949.00</b>	<b>475,949.00</b>	<b>312,728.34</b>

### 3. CONCLUSIONS

Implementation of the 2016 year work programme

2016 was the last year of the three medium-term priorities – modernising VET systems, citizen’s careers and transitions, and analysing skills and competences – that have guided Cedefop’s work since 2012.

Under each of these priorities, Cedefop produced pioneering work to support European VET policy making. As well as information at European level, to support national implementation of European VET policy Cedefop provided direct support to more countries in 2016, and hosted more of its policy learning forums to encourage exchanges between Member States, social partners and other VET and labour market stakeholders on implementing specific aspects of European VET policy. Finally, the European Commission’s New skills agenda for Europe, announced in June, was strongly backed by evidence and data provided by Cedefop.

The Agenda outlines the need to help the 70 million Europeans who lack adequate reading and writing, numeracy and digital skills, the people most vulnerable to change, by improving the quality and relevance of skill formation, by making skills and qualifications more visible and comparable, and by improving skills intelligence – all issues that are at the very centre of Cedefop’s work.

The following summarises the main results and activities of the implementation of the 2016 work programme.

[More information and a detailed presentation of the indicators of Cedefop’s performance measurement system (PMS) are/will be available in the Annual Report 2016 and the Consolidated Annual Activity Report ([www.cedefop.europa.eu](http://www.cedefop.europa.eu)).]

#### **ABB activity: Policy analysis and reporting**

In 2015, in Riga, Ministers in charge of VET confirmed Cedefop’s mandate to **monitor and analyse Member States’ progress** for the period 2015-2020. In this respect, Cedefop monitoring approach aims to highlight individual countries’ progress towards the common priorities agreed at EU level.

In 2016, information on countries’ policy priorities and progress in VET was collected through **ReferNet** - Cedefop’s network for VET in the EU 28, Iceland and Norway. As in past years, ReferNet’s contribution was also used to prepare short descriptions, spotlights and videos on VET systems, informing DGVT and other stakeholders from across the EU on VET in the EU Presidency countries, i.e. the Netherlands and Slovakia.

In 2016 Cedefop also finalised the development and launched with the Commission the European **mobility scoreboard for initial vocational education and training (IVET)**<sup>86</sup>. The scoreboard, which takes stock of progress of countries with respect to Council recommendation ‘Youth on the Move’<sup>87</sup>, which also relies on the

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<sup>(86)</sup> <http://www.cedefop.europa.eu/en/publications-and-resources/data-visualisations/mobility-scoreboard/>

<sup>(87)</sup> [http://europa.eu/youthonthemove/docs/communication/youth-on-the-move\\_EN.pdf](http://europa.eu/youthonthemove/docs/communication/youth-on-the-move_EN.pdf) [accessed on 11/05/2017]

contribution of ReferNet, takes stock of policies and structures in place in member States to support mobility of students and apprentices in VET across EU countries.

### **ABB activity: European tools, qualifications and learning outcomes**

In 2016, Cedefop's policy analysis and support to EU countries and the European Commission on **qualifications and learning outcomes** continued.

Cedefop's directly supported the shaping of proposals and actions for the New Skills Agenda for Europe <sup>(88)</sup>, and took stock of progress on **Qualifications frameworks in Europe**. Cedefop also organised the **second policy learning forum on defining and writing learning outcomes** and worked on a practitioner handbook on the topic.

In parallel, Cedefop continued its work with the European Commission and Member States in supporting implementation of the ECVET recommendation and to the EQAVET steering committee. Finally, Cedefop continued to maintain and develop the Europass website, in which 19 Mio CVs were generated online in 2016.

### **ABB: Empowering adults and young people**

As developing **apprenticeships and work-based learning (WBL)** continues to be high on the EU policy agenda, Cedefop explored different approaches and effective solutions for their implementation and provided direct country support for the further development of apprenticeship systems in Greece, Italy and Slovenia.

In 2016 Cedefop also finalised the results of its study on the contribution that VET can make to **reducing early leaving from education and training**. '**Investing in skills pays off: the economic and social costs of low skilled adults**' is another research that was finalised in 2016 and that provides an estimate of the individual and social value in monetary terms of a faster increase of the general level of skills in the Member States as compared to the current trend.

The study '**Labour market information and guidance**' <sup>(89)</sup> analysed the role of guidance in enabling citizens to use LMI successfully to make decisions about learning and their careers. Finally, Cedefop engaged Member States policy makers, social partners, practitioners and other relevant stakeholders in a discussion on what needs to be done to develop further the **validation on non-formal and informal learning** in the EU.

Finally, Cedefop examined **effective policies for the labour market integration of migrants and refugees**. Using the evidence generated across the whole set of activities above, Cedefop provided a significant input to the Council Recommendation 'Up-skilling Pathways: New Opportunities for Adults' proposed by the European Commission and related Staff Working Documents.

**Cedefop's opinion survey on VET in Europe** provides unprecedented data on EU citizens' opinions on awareness, attractiveness and effectiveness of VET. It indicates that almost nine out of ten graduates (87%) who have gone through VET are happy with the job-related skills they have acquired.

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<sup>(88)</sup> <http://ec.europa.eu/social/main.jsp?catId=1223> [accessed on 11/05/2017]

<sup>(89)</sup> <http://www.cedefop.europa.eu/en/publications-and-resources/publications/5555>

Cedefop also published snapshots of the situation in each Member State of teaching and training professionals who work in initial VET, both in school and work-based settings, including apprenticeship schemes and describe how countries support initial and continuing professional development of teachers and trainers as well as how they organise cooperation between the worlds of education and work.

### **ABB activity: Skills analysis**

To inform VET provision, and ensure that it is responsive to labour market developments and occupational changes requires a plethora of data and analysis, both focusing on the present and the future mismatches between supply and demand. The same data can also be used to inform individuals' career, education and training choices. On top of developing and maintaining the **Skills Panorama** – a unique web portal for labour market and skills intelligence in Europe – in 2016 Cedefop carried out a number of activities in order to collect more and better data and insights on skill needs in the EU:

- **Skills supply and demand forecast** to project trends 10 years ahead and offer an early warning regarding potential future labour market imbalances;
- Assess the performance of skills systems across countries using a composite index '**Making Skills Work**';
- Identify **mismatch occupations** that require specific policy attention in each Member State;
- Collect big data on **skills demand by employers** using online vacancies;
- Further analyse the results of the **Skills and Jobs Survey** to consider how new technologies and digitalisation are changing jobs and employment prospects.

In parallel, in 2016 Cedefop started to help countries that wish to develop their capacity to anticipate skill needs by offering **support to Greece, Malta and Iceland** and participating in mutual learning programmes on the topic.

Evaluation of 2016 shows performance improvements in most areas of work compared with previous years. It confirms continued relevance of Cedefop's work to the European policy agenda for vocational education and training and related areas as well as its effectiveness and efficiency:

- Cedefop's expertise is increasingly sought and valued by its stakeholders, shown in particular by citations in EU policy documents and contributions to national VET policy developments, indicating trust in the soundness of Cedefop's policy advice;
- growing demand for Cedefop's online and hard copy research and analyses;
- increasing volume and diversity of media-reach along with strong social media improvements, helping to raise awareness among citizens;
- increasing efficiency in core administrative support and effective allocation of resources.

<b>Performance 2016</b>
27 million visits to Europass website – 438 000 visits to Cedefop website
References to Cedefop’s work in 167 EU-level policy documents and 88 issued by international organisations: OECD, UNESCO, ILO, World Economic Forum.  Key EU policy users: <ul style="list-style-type: none"> <li>• European Commission: 56 %</li> <li>• European Parliament: 15 %</li> <li>• EU agencies: 8 %</li> </ul>
472 200 downloads of Cedefop publications
591 citations in academic literature in 2015-2016. Most frequently quoted topics are those related to skills supply and demand, validation of non-formal informal learning, lifelong guidance and learning outcomes.
98% occupation rate of the establishment plan  99.99% budget implementation rate

## **REPORTS ON IMPLEMENTATION OF THE 2016 BUDGET**

In accordance with Article 97 of the Financial Rules and Articles 82 and 83 of the Implementing Rules, the budget implementation reports of the Centre for the financial year 2016 comprise:

- the report which aggregates all budgetary operations for the year in terms of revenue and expenditure (*previously*: budget outturn account),
- the explanatory notes, which supplement and comment on the information given in the reports.

## 1. Report aggregating all budgetary operations

### Revenue and expenditure account for the financial year 2016 and 2015

	2016	2015
<b>Revenue</b>		
Own revenue		
Commission contributions	17,434,000.00	15,800,000.00
Sundry revenue		
Assigned revenue	475,949.00	971,506.40
Other revenue	554.79	19,132.06
<b>Total revenue (a)</b>	<b>17,910,503.79</b>	<b>16,790,638.46</b>
<b>Expenditure</b>		
<i>Staff – Title 1 of the budget</i>		
Payments	9,917,376.23	9,703,526.39
Appropriations carried over	152,890.95	94,735.48
<i>Administration – Title 2 of the budget</i>		
Payments	1,180,441.77	1,222,903.55
Appropriations carried over	445,545.92	477,994.31
<i>Operating activities– Title 3 of the budget</i>		
Payments	2,201,711.67	1,490,102.40
Payments against outstanding commitments at 31/12/n-1	3,731,381.21	2,821,911.87
Payment appropriations carried over	-	-
<i>Assigned revenue (Grants + third countries and others)</i>		
Payments	918,051.26	1,099,752.75
Carryovers including assigned revenue not entered in the budget	312,728.34	1,230,779.60
<b>Total expenditure (b)</b>	<b>18,860,127.35</b>	<b>18,139,024.02</b>
<b>Outturn of the financial year (c = a - b)</b>	<b>- 949,623.56</b>	<b>- 1,348,385.56</b>
Balance carried over from the previous year		
Cancelled n-1 appropriations carried over (non-differentiated appropriations Titles 1 and 2)	49,644.98	55,828.91
Appropriations carried over from assigned revenue	1,230,779.60	1,359,025.95
Payment appropriations carried over from the previous year (Title 3)	-	-
Exchange-rate differences	2,962.74	- 7,187.64
<b>Balance for the financial year</b>	<b>333,763.76</b>	<b>59,281.66</b>

## **2. Explanatory note**

The Centre has had differentiated appropriations for Title 3 since 2004, which explains why no carryovers of appropriations for operational activities appear in the calculation of the budget outturn.

**FINANCIAL STATEMENTS****FINANCIAL YEAR 2016**

In accordance with Article 96 of the Financial Rules and Articles 79, 80 and 81 of the Implementing Rules, the financial statements of the Centre for the financial year 2016 comprise:

- the balance sheet and the statement of financial performance (*previously*: economic outturn account),
- the statement of changes in net assets,
- the cash-flow statement,
- the notes to the financial statements.

## 1.1. BALANCE SHEET

		2016	2015
<b>ASSETS</b>			
<b>A. NON CURRENT ASSETS</b>			
<b>Intangible fixed assets</b>		<b>65,080.12</b>	<b>82,245.15</b>
<b>Tangible fixed assets</b>		<b>3,128,671.56</b>	<b>3,293,324.12</b>
	Land and buildings	2,555,579.15	2,631,843.19
	Plant and equipment	151,280.73	222,299.96
	Computer hardware	380,052.17	379,362.12
	Furniture and vehicles	20,361.27	31,040.54
	Other fixtures and fittings	21,398.24	28,778.31
	Leasing	0.00	0.00
	Tangible fixed assets under construction	0.00	0.00
<b>Long-term pre-financing</b>		<b>0.00</b>	<b>0.00</b>
	Long-term pre-financing	0.00	0.00
	<i>LT pre-financing with consolidated EC entities</i>	0.00	0.00
<b>Long-term receivables</b>		<b>5,076.41</b>	<b>5,076.41</b>
	Long-term receivables	5,076.41	5,076.41
	<i>LT receivables with consolidated EC entities</i>	0.00	0.00
<b>TOTAL NON CURRENT ASSETS</b>		<b>3,198,828.09</b>	<b>3,380,645.68</b>
<b>B. CURRENT ASSETS</b>			
<b>Stocks</b>		<b>0.00</b>	<b>0.00</b>
<b>Short-term pre-financing</b>		<b>484,631.40</b>	<b>161,697.30</b>
	Short-term pre-financing	484,631.40	161,697.30
	<i>ST pre-financing with consolidated EC entities</i>	0.00	0.00
<b>Short-term receivables</b>		<b>800,902.09</b>	<b>1,632,674.99</b>
	Current receivables	495,842.66	1,303,521.01
	Long-term receivables falling due within a year		
	Sundry receivables	22,466.87	193,732.79
	Other	282,592.56	135,421.19
	-Accrued income	0.00	0.00
	-Deferred charges	282,592.56	135,421.19
	<i>Deferrals and Accruals with consolidated EC entities</i>	0.00	0.00
	<i>Short-term receivables with consolidated EC entities</i>	0.00	0.00
<b>Cash and cash equivalents</b>		<b>598,394.13</b>	<b>243,615.85</b>
<b>TOTAL CURRENT ASSETS</b>		<b>1,883,927.62</b>	<b>2,037,988.14</b>
<b>TOTAL</b>		<b>5,082,755.71</b>	<b>5,418,633.82</b>

		2016	2015
<b>LIABILITIES</b>			
<b>A. CAPITAL</b>		<b>3,800,687.02</b>	<b>3,679,630.68</b>
Reserves			
Accumulated surplus/deficit		<b>3,679,630.68</b>	<b>4,411,939.22</b>
Economic result of the year - profit+/loss-		121,056.34	-732,308.54
<b>B. Minority interest</b>			
<b>C. NON CURRENT LIABILITIES</b>		<b>0.00</b>	<b>0.00</b>
Employee benefits		0.00	0.00
Provisions for risks and charges		0.00	0.00
Other long-term liabilities		0.00	0.00
	Other long-term liabilities	0.00	0.00
	<i>Other LT liabilities with consolidated EC entities</i>	0.00	0.00
	<i>Pre-financing received from consolidated EC entities</i>	0.00	0.00
	<i>Other LT liabilities from consolidated EC entities</i>	0.00	0.00
<b>TOTAL CAPITAL + NON CURRENT LIABILITIES</b>		<b>3,800,687.02</b>	<b>3,679,630.68</b>
<b>D. CURRENT LIABILITIES</b>		<b>0.00</b>	<b>0.00</b>
Provisions for risks and charges		<b>6,735.64</b>	<b>0.00</b>
Accounts payable		<b>1,275,333.05</b>	<b>1,739,003.14</b>
	Current payables	361,365.64	419,615.66
	Long-term liabilities falling due within the year	0.00	0.00
	Sundry payables	7,949.53	2,625.88
	Other	287,274.25	578,850.21
	- Accrued charges	287,274.25	578,850.21
	- Deferred income	0.00	0.00
	<i>Deferrals and accruals with consolidated EC entities</i>	0.00	0.00
	<i>Accounts payable with consolidated EC entities</i>	618,743.63	737,911.39
	<i>Pre-financing received from consolidated EC entities</i>	618,743.63	737,911.39
	<i>Other accounts payable against consolidated EC entities</i>	0.00	0.00
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,282,068.69</b>	<b>1,739,003.14</b>
<b>TOTAL</b>		<b>5,082,755.71</b>	<b>5,418,633.82</b>

## 1.2. STATEMENT OF FINANCIAL PERFORMANCE

	2016	2015
Revenues from administrative operations	125,614.92	142,008.60
Other operating revenue	17,970,389.89	16,821,092.26
<b>TOTAL OPERATING REVENUE</b>	<b>18,096,004.81</b>	<b>16,963,100.86</b>
Staff and administrative expenses	-11,726,626.36	-11,769,595.96
Staff expenses	-9,440,769.91	-9,380,486.57
Fixed asset related expenses	-582,141.30	-584,404.03
Administrative expenses	-1,703,715.15	-1,804,705.36
Operational expenses	-6,244,513.89	-5,922,115.11
Other operational expenses	-6,244,513.89	-5,922,115.11
<b>TOTAL OPERATING EXPENSES</b>	<b>-17,971,140.25</b>	<b>-17,691,711.07</b>
<b>SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES</b>	<b>124,864.56</b>	<b>-728,610.21</b>
Financial revenues	0.00	0.00
Financial expenses	-3,808.22	-3,698.33
Movement in pensions (- expense, + revenue)		
<b>SURPLUS/(DEFICIT) FROM NON OPERATING ACTIVITIES</b>	<b>-3,808.22</b>	<b>-3,698.33</b>
<b>SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES</b>	<b>121,056.34</b>	<b>-732,308.54</b>
Extraordinary gains (+)		
Extraordinary losses (-)		
<b>SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS</b>	<b>0.00</b>	<b>0.00</b>
<b>ECONOMIC RESULT OF THE YEAR</b>	<b>121,056.34</b>	<b>-732,308.54</b>

## 2. STATEMENT OF CHANGES IN NET ASSETS

Capital	Reserves		Accumulated Surplus / Deficit	Economic result of the year	Capital (total)
	Fair value reserve	Other reserves			
<b>Balance as of 31 December 2015</b>			<b>4,411,939.22</b>	<b>-732,308.54</b>	<b>3,679,630.68</b>
Changes in accounting policies				0.00	0.00
<b>Balance as of 1 January 2016</b>	<b>0.00</b>	<b>0.00</b>	<b>4,411,939.22</b>	<b>-732,308.54</b>	<b>3,679,630.68</b>
Other					0.00
Fair value movements					0.00
Movement in Guarantee Fund reserve					0.00
Allocation of the Economic Result of Previous Year			-732,308.54	732,308.54	0.00
Amounts credited to Member States					0.00
Economic result of the year				121,056.34	121,056.34
<b>Balance as of 31 December 2016</b>	<b>0.00</b>	<b>0.00</b>	<b>3,679,630.68</b>	<b>121,056.34</b>	<b>3,800,687.02</b>

### 3. CASH-FLOW STATEMENT (INDIRECT METHOD)

	2016	2015
<b>Cash Flows from ordinary activities</b>		
<b>Surplus/(deficit) from ordinary activities</b>	<b>121,056.34</b>	<b>-732,308.54</b>
<b>Operating activities</b>		
<u>Adjustments</u>		
Amortization (intangible fixed assets) +	43,508.05	47,502.08
Depreciation (tangible fixed assets) +	538,633.25	536,901.95
Increase/(decrease) in Provisions for risks and liabilities	6,735.64	0.00
Increase/(decrease) in Value reduction for doubtful debts	0.00	0.00
(Increase)/decrease in Stock	0.00	0.00
(Increase)/decrease in Long term Pre-financing	0.00	0.00
(Increase)/decrease in Short term Pre-financing	-322,934.10	205,434.30
(Increase)/decrease in Long term Receivables		
(Increase)/decrease in Short term Receivables	831,772.90	227,818.68
(Increase)/decrease in Receivables related to consolidated EC entities	0.00	0.00
Increase/(decrease) in Other Long term liabilities	0.00	0.00
Increase/(decrease) in Accounts payable	-344,502.33	239,967.47
Increase/(decrease) in Liabilities related to consolidated EC entities	-119,167.76	-443,808.70
<b>Net cash Flow from operating activities</b>	<b>755,101.99</b>	<b>81,507.24</b>
<b>Cash Flows from investing activities</b>		
Increase of tangible and intangible fixed assets (-)	-400,323.71	-257,462.87
Proceeds from tangible and intangible fixed assets (+)		
<b>Net cash flow from investing activities</b>	<b>-400,323.71</b>	<b>-257,462.87</b>
Net increase/(decrease) in cash and cash equivalents	354,778.28	-175,955.63
<b>Cash and cash equivalents at the beginning of the period</b>	<b>243,615.85</b>	<b>419,571.48</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>598,394.13</b>	<b>243,615.85</b>

## 4. ANNEX

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### 1. Introduction

Cedefop adopted its new Financial Rules (Decision DIR/RB(2014)00032) on 9 January 2014 in conformity with Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework Financial Regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council (“the general Financial Regulation”). In that context, Cedefop applies the accounting rules referred to in Article 152 of the general Financial Regulation to allow its accounts to be consolidated with those of the Commission.

In accordance with Article 248 of Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union, all assets entered in the Centre’s balance sheet are those with a purchase value equal to or higher than the accounting threshold and with a utilisation value higher than one year.

The depreciation of assets is calculated *pro rata temporis* from the time the asset enters into service, whereas its inclusion in the inventory takes place on the basis of its date of delivery.

Cedefop also adopted on 3 June 2014 its new Implementing Rules to the Financial Rules adopted on 9 January 2014 (and entered into force on 01.01.2014), which make the subject of a Governing Board Decision (DIR/RB(2014)01414) that also entered into force on 01.01.2014 (as per DG BUDG instruction of 28.04.2014). Articles 96 to 103 of that Decision (referring to Article 106 of the Financial Rules) include detailed provisions in regard to the inventory system.

#### **Changes to the calculation of accruals and pre-financing given to suppliers.**

The 2014 accounts introduced a new method of calculating accruals whereby the figure is derived primarily from an analysis of invoices received in the following year plus those amounts where services or goods have been received but invoices are yet to be registered. This approach to the recognition of accrued expenses differs from previous years which included an internally generated estimate of the value of works performed by suppliers.

The new approach, agreed with the Court of Auditors, offers a more transparent figure supported by third party documentation and is more in keeping with recognised accountancy practice.

Similarly, pre-financing given to suppliers had in previous years been adjusted to incorporate an estimate of work performed by suppliers. This estimate is no longer included in the calculation.

## 2. Remarks relating to fixed assets

The accounting threshold depends on the date of purchase of the asset (see table below).

Ref.	from	To	Amount
Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012	1.1.2013		€420
Regulation (EC, Euratom) No 2342/2002 of 23 December 2002	1.1.2003	31.12.2012	€420
Commission Regulation (EC) No 1687/2001 of 21 August 2001	31.8.2001	31.12.2002	€420
Decision 2000/716/EC	1.1.2000	30.8.2001	€420
Decision 97/594/EC	1.1.1997	31.12.1999	ECU 400

These assets were depreciated. The straight line depreciation method was used. The depreciation rates applied are those applied at the Commission, namely:

- Software and intangible assets: 4 years;
- land and buildings: 25 years
- plant and equipment: 4 or 8 years;
- furniture: 10 years;
- transport equipment and IT equipment: 4 years;

### A. Intangible fixed assets

Development costs of new software systems have not been capitalised as they fall below the Agency's threshold of Euro 150 000. They are calculated respectively at Euro 55 420 for the Web Portal and Euro 144 750 for the Skills Panorama. No research costs were incurred in 2016.

	Software
<b>A. Purchase value:</b>	
Previous financial year	310,277.82
Additions	26,343.02
Withdrawals or transfers from other headings	-11,805.62
<i>At the end of the financial year:</i>	324,815.22
<b>B. Depreciation:</b>	
Previous financial year	228,032.67
Additions	43,508.05
Transfer from other headings	-11,805.62
<i>At the end of the financial year:</i>	259,735.10
<b>Net book value (A – B)</b>	<b>65,080.12</b>

## B. Tangible fixed assets

	Land and buildings	Plant and equipment	Furniture	Transport equipment	IT equipment	Other tangible assets	Total
<b><u>A. Purchase value:</u></b>							
Previous financial year	6,693,805.66	923,328.68	296,955.73	70,897.80	1,593,260.36	180,462.64	9,758,710.87
Additions	178,224.00	26,136.22	-	-	169,620.47	-	373,980.69
From other headings							
From one heading to another		-77,939.36	-1,112.28		-238,055.20	-4,755.00	-321,861.84
<i>At the end of the financial year:</i>	<i>6,872,029.66</i>	<i>871,525.54</i>	<i>295,843.45</i>	<i>70,897.80</i>	<i>1,524,825.63</i>	<i>175,707.64</i>	<i>9,810,829.72</i>
<b><u>B. Depreciation:</u></b>							
Previous financial year	4,061,962.47	701,028.72	272,064.52	64,748.47	1,213,898.24	151,684.33	6,465,386.75
Additions	254,488.04	97,155.45	4,529.94	6,149.33	168,930.42	7,380.07	538,633.25
From other headings							
From one heading to another		-77,939.36	-1,112.28		-238,055.20	-4,755.00	-321,861.84
<i>At the end of the financial year:</i>	<i>4,316,450.51</i>	<i>720,244.81</i>	<i>275,482.18</i>	<i>70,897.80</i>	<i>1,144,773.46</i>	<i>154,309.40</i>	<i>6,682,158.16</i>
<b>Net book value (A – B)</b>	<b>2,555,579.15</b>	<b>151,280.73</b>	<b>20,361.27</b>	<b>-</b>	<b>380,052.17</b>	<b>21,398.24</b>	<b>3,128,671.56</b>

Through the course of 2016 repair works and replacement of the glass façade and the skylights in the three meeting rooms was undertaken and completed. An independent study confirmed that the observed damage which necessitated the repairs was linked to faulty construction. Cedefop has contacted the Greek authorities as the first step to initiate proceedings to recover the cost of these repairs. Although Cedefop believes it has a strong case for settlement of these costs, approximately Euro 180 000, at this stage it is prudent not to accrue any income in the accounts.

### C. Long-term receivables

Long-term receivables represent guarantees paid as a form of deposit to Greek utility companies for the supply of water and electricity.

### D. Stocks

Cedefop no longer includes a valuation for its stock of publications as their market valuation is negligible.

### **E. Short-term pre-financing**

Pre-financing is a payment intended to provide the beneficiary with a cash advance. The advance is repaid or used for the purpose for which it was provided during the period defined in the agreement. If the beneficiary does not incur eligible expenditures he/she has the obligation to return the pre-financing advance to Cedefop. The amount of the pre-financing is reduced (wholly or partially) by the acceptance of eligible costs where a tangible benefit or product has been received as explained in the introduction to these notes.

At year-end outstanding pre-financing amounts are valued at the original amount(s) paid, less amounts returned, eligible amounts cleared and/or value reductions.

### **F. Short term receivables**

Consisting of:

- a) current receivables, chiefly of VAT charges to be recovered from Member States,
- b) sundry receivables, being advances on missions and school fees,
- c) deferred charges, being expenses paid in 2016 but relating to 2017,

<b>Analysis of Accounts Receivable</b>	<b>2016</b>	<b>2015</b>
VAT charges to be recovered from all EU countries	495 842.66	1 303 521.01
Staff related advances including school, canteen VAT and mission advances	22 044.39	140 810.86
Staff recovery of weighting factor adjustment	0.00	52,921.93
Deferred charges, i.e. expenses paid in advance e.g. insurance	282 592.56	135 421.19
Other small sundry items	422.48	0.00
	<hr/>	<hr/>
	800 902.09	1 632 674.99

Note: Cedefop had for several years experienced delays in recovering the VAT owed by the Greek state however through the course of 2016 the large backlog of claims relating to 2013, 2014 and 2015 were settled.

In February 2016, in accordance with Article 60(4) of the Agency's Financial Rules, Cedefop was obliged to issue debit notes to the Greek authorities representing the agency's claim for interest on these late settlements of outstanding VAT. These debit notes of Euro 35 930 and Euro 22 000 relating to the years 2012 and 2013 respectively are still outstanding and will be recognised as income on receipt of the funds.

## G. Cash and cash equivalents

This figure represents the sum of balances held in the Agency's two bank accounts BNP Paribas Fortis NV in Brussels and its local account with Alpha Bank A.E. and small petty cash and credit card balances.

## H. Long term provision

There are no long term provisions in the 2016 accounts.

## I. Provisions for risks and charges

Provisions for risks and charges are recognised when Cedefop has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Following a tax audit conducted in 2016 by the General Directorate of the Tax Administration relating to VAT and withholding taxes, Cedefop received notice that the Agency was liable to pay an amount of Euro 6 735.64 for underpaid taxes and an associated penalty. Cedefop disputes the findings of the audit and will appeal. However, in line with the principal of prudence the Agency has charged its 2016 expenses with this amount and carries an equivalent provision in its balance sheet along with a receivable to be recovered from the Tax authorities.

## J. Accounts payable

Consisting of:

- a) current payables, relating chiefly to invoices received from suppliers at the end of 2016 to be processed in 2017,
- b) sundry payables, payables relating to amounts to be paid from assigned revenue or to staff costs e.g. withheld taxes,
- c) accrued charges, expenses relating to 2016. See the beginning of the Notes for details on the changes to accrual calculation introduced in 2014.

	2016	2015
Accrued costs	104,225	370,765
Accrued leave	183,050	208,085
Total	287,275	578,850

- d) amounts payable to consolidated entities, being chiefly pre-financing received from the Commission. The total to be paid decreased from Euro 737 911 in 2015 to Euro 618 744 in 2016. This figure consists of:

	2016	2015
Surplus on Budget Account	333,764	59,282
Remainder of Building Grant 250K	-	-
Grants Received 2013 or B/fwd	36,671	261,071
Less amount dispersed on above grant	- 168,300	- 224,400

Grants Received 2014 or B/fwd	641,959	536,975
Grant Received 2015		445,000
Less amount dispersed on above grant	-225,350	-340,016
<b>Total</b>	<b>618,744</b>	<b>737,911</b>

### **K. Contingent Liabilities**

Contingent liabilities as at 31 December 2016 amounted to Euro 6 622 764 (Euro 7 112 358 in 2015) representing standing financial commitments to suppliers not appearing on the balance sheet.

### **L. Pension Obligations**

Cedefop's staff are members of the European Communities Pension Scheme which is a defined benefit pension plan.

A defined benefit plan is a pension plan that generally defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age and years of service. Cedefop's staff contribute 10.10% of their basic salaries to the pension scheme and an additional 20.20% contribution is made by the European Commission. The cost to the European Commission is not reflected in the Agency's accounts.

Future benefits payable to Cedefop staff under the European Communities Pension Scheme are accounted for in the accounts of the European Commission. No provisions for such pensions are made in these accounts.

## **3. Notes to the financial statements**

### **A. Revenue**

Revenue and corresponding receivables are measured at the fair value of the consideration received or receivable and are accounted for in the period to which they relate. Cedefop's main source of revenue is the annual contribution from the European Commission. Calculation of this revenue is based on the results of the statement of financial performance. A positive result is shown as a liability and returned to the Commission the following year. As the disbursement or commitment of funds is a factor in the budgetary outturn it also forms part of the final calculation of revenue.

The amount received from the Commission is thus reduced by Euro 333 764 (representing the balance on the Statement of Financial Performance for 2016) when calculating the revenue.

The table below shows a detailed breakdown of the other sources of revenue.

<b>Analysis of Revenue in the Economic Result Account 2016</b>		
Funds received from the Commission	17,434,000	
Less net surplus on the Budgetary Outturn Account	<u>-333,764</u>	
		17,100,236
<b>Grant Income</b>		
Agreement n° 30/CE-058371//03 disbursed	168,300	
Agreement n° VS/2013/0554 disbursed	225,350	
		393,650
<b>Other Operational Income</b>		
Norway	460,258	
Iceland	15,691	
Interest	<u>555</u>	
		476,504
		<u>17,970,390</u>
<b>Revenue from Administrative and Financial operations</b>		
Canteen		125,615
		<u>18,096,005</u>
	Grand Total Income	<u>18,096,005</u>

## **B. Expenditure**

Expenditure and corresponding payables are measured at their fair value and accounted for in the period to which they relate.

Cedefop's statements follow the format used by the Commission and divide expenses into three categories: Administrative expenses, Operational expenses and Financial expenses.

a) Administrative expenses. These are subdivided into three sub-categories:

i) Staff expenses.

All salary calculations giving the total staff expenses included in the Statement of financial performance of the Agency are externalized to the Office for administration and payment of individual entitlements (also known as the Paymaster's Office-PMO) which is a central office of the European Commission.

The PMO's mission is to manage the financial rights of permanent, temporary and contractual staff working at the Commission, to calculate and to pay their salaries and other financial entitlements. The PMO provides these services to other EU institutions and agencies as well. The PMO is also responsible for

managing the health insurance fund of the Institutions, together with processing and paying the claims of reimbursement from staff members. The PMO also manages the pension fund and pays the pensions of retired staff members. PMO is being audited by the European Court of Auditors.

The Agency is only responsible for the communication to the PMO of reliable information allowing them to calculate the staff costs. Cedefop is also responsible to check that this information has been correctly handled in the monthly payroll report used for accounting payroll costs. It is not responsible for the calculation of the payroll costs performed by PMO.

Staff costs essentially (although not entirely) correspond to Title 1 budget lines. Staff expenses are sometimes considered “administrative expenses” but it should be noted that the Centre employs a large number of experts performing operational tasks and approximately 66% of staff costs relate to operational personnel and hence should be interpreted as operational costs.

ii) fixed asset expenses, relating to depreciation costs (see above for further details).

iii) other administrative expenses, essentially following the Title 2 budget costs. These include such items as utilities, telecommunications, IT and building upkeep.

b) Operational expenses corresponding to Title 3 costs.

The 2016 figure of Euro 6 244 514 compares to the corresponding 2015 figure of Euro 5 922 115.

The report on Budgetary and Financial Management above gives a description of the various operational areas to which Cedefop is committed. A large part of these costs relate to commissioning research, meetings and publication costs for the dissemination of Cedefop’s research and policy analysis work. As mentioned in the administrative expenses these costs do not include the personnel costs of staff engaged in operational work.

c) Financial expenses relating to bank charges.

### **C. Economic Result for the Year**

The surplus of Euro 121 056 (0.7% of Revenue) compares to last year’s deficit of Euro 732 309. Funds disbursed as pre-financing are not considered as expenditure until such time as the final or intermediate request for funds is received.

#### 4. Reconciliation between budgetary result and economic result

Cedefop's financial statements are prepared on an accruals basis, where transactions are recorded in the period to which they relate. The result for the year using this basis is indicated in the economic outturn account. However, the Agency uses a modified cash accounting system for preparing the statement of financial performance and its other budgetary reporting. In this system only the payments made and revenues received in the period are recorded, together with payment appropriations that are carried forward.

The difference between the budgetary result and the economic result is made up as follows:

	2016	2015
<b>Economic result</b>	<b>121,056.34</b>	<b>-732,308.54</b>
<i>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</i>		
Adjustments for Accrual Cut-off (reversal 31.12.2015)	-578,850.21	-696,208.63
Adjustments for Accrual Cut-off (cut-off 31.12.2016)	287,274.25	578,850.21
Unpaid invoices net of VAT at year end but booked in charges	351,996.61	376,816.40
Depreciation of intangible and tangible fixed assets	582,141.30	584,404.03
Provisions	6,735.64	0.00
Value reductions	256.98	-270.74
Recovery Orders issued in 2016 and not yet cashed	0.00	0.00
Prefinancing given in previous year and cleared in the year	161,697.30	349,491.60
Prefinancing received in previous year and cleared in the year	-393,649.86	-564,455.77
Payments made from carry over of payment appropriations	523,084.81	496,234.80
Increase in prepayments to suppliers & reverse 2015 invoices	-546,047.42	-77,098.97
<i>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</i>		
Asset acquisitions (less unpaid amounts)	-400,323.71	-257,462.87
New pre-financing paid in 2016 and remaining open as at 31.12.2016	-484,631.40	-144,057.30
New pre-financing received in 2016 remaining open as at 31.12.2016	333,763.76	504,281.66
Budgetary recovery orders issued before 2016 and cashed in the year	-	29,720.31
Payment appropriations carried over to 2017	-911,165.21	-1,803,509.39
Cancellation of unused carried over payment appropriations from previous year	49,644.98	55,828.91
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	1,230,779.60	1,359,025.95
<b>Adjustments Total</b>	<b>212,707.42</b>	<b>791,590.20</b>
<b>Budgetary result</b>	<b>333,763.76</b>	<b>59,281.66</b>

**5. Distribution by grade of occupied posts in the 2016 establishment plan**

Annex A

	Categories Grades	Permanent posts	Temporary posts
	AD 16	-	-
	AD 15	-	1
	AD 14	-	1
	AD 13	-	2
	AD 12	4	4
	AD 11	-	9
	AD 10	-	10
	AD 9	-	5
	AD 8	-	5
	AD 7	-	4
	AD 6	-	1
	AD 5	-	-
		4	42
	AST 11	-	1
	AST 10	1	1
	AST 9	2	2
	AST 8	2	2
	AST 7	3	7
	AST 6	4	5
	AST 5	2	6
	AST 4	-	10
	AST 2	-	-
	AST 1	-	-
		12	34
		16	76
	Total		92
	Vacant		2

## Annex VII: Materiality criteria



CEDEFOP

European Centre for the Development  
of Vocational Training

DIRECTOR

4 May 2017  
RB(2017)00952

### NOTE

#### Annex VII — Materiality criteria

##### Introduction:

Materiality criteria define the elements for determination of significant weaknesses that should be subject to a formal reservation in the assurance declaration of the Authorising Officer in the context of the Consolidated Annual Activity Report.

The definition of the following criteria has been informed by the EC Guidelines for defining materiality and the references made in the standing instructions for the Consolidated Annual Activity Report of the Commission.

The decision whether a weakness is significant, remains a matter of judgement of the Authorising Officer (by Delegation). In this judgement the overall impact of a weakness needs to be identified and an assessment needs to be made on whether the issue is material enough so that would have an influence on the decisions or conclusions of the users of the assurance declaration. Further consideration may in some cases also take the tolerability of risks of error into account.

##### Assessment criteria:

In consequence judgement needs to be based on a qualitative and a quantitative assessment. In addition, reputational events may be considered.

The qualitative assessment of a weakness (deficiency) should first consider if the type of deficiency falls within the scope of the assurance declaration which refers to the use of resources, sound financial management, and legality and regularity of transactions.

Second, in considering the significance of the materiality criteria, one should include the nature and scope of the weakness, the duration of the weakness, the existence of mitigating actions reducing the impact of the weakness and the existence of corrective actions (action plans and financial corrections) which have had measurable impact.

Third, in quantitative terms it is necessary to quantify the financial impact which may refer to the monetary value of the identified problem; or the amount considered erroneous; or the amount considered at risk.

  
5-5-17

  
04.5.2017

The proposed standard quantitative materiality threshold is 2 %.

**Considerations:**

Related to Cedefop's overall budget of EUR 18 019 949 for 2016, the 2 % threshold would define an amount of about EUR 360 399.

Considering potential cases this amount seems too high. Thus, the (standard) quantitative threshold should be set at EUR 200 000.

Cedefop activities are defined in a much more detailed way than EC activities and usually have much lower financial resources at their disposal. Thus, to introduce a materiality threshold at activity level does not really make much sense at all. In fact most weaknesses or deficiencies conceivable would refer to generic services and procedures which should be compared with the Cedefop budget.

**In conclusion:**

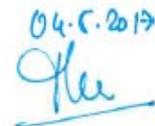
The Cedefop standard quantitative materiality threshold is therefore being set at EUR 200 000.

Deviations from this materiality threshold must be fully justified in the Consolidated Annual Activity Report.

It is however necessary to underline that some deficiencies also below this threshold may be deemed significant on the basis of the qualitative assessment.

In addition, it may be considered that specific reputational events on the basis of specific assessments may give rise to a reservation.

  
Joachim James Calleja  
Director  
5.5.2017

04.5.2017  


## **Annex VIII: Cooperation with EU agencies**

In 2016, Cedefop maintained the ongoing cooperation with other agencies working in related spheres, in particular the ETF and Eurofound (see below). The ongoing cooperation is not only focused on making sure that the work of the Agencies is complementary to each other but that synergies and shared resources add value to the Agencies and their stakeholders. This is achieved building on each-other strengths and respective areas of expertise and administration which will be further explored during 2017.

For instance, the interagency report 'Towards age-friendly work in Europe: a life-course perspective on work and ageing from EU-agencies' coordinated by EU-OSHA, includes also contributions by EIGE, Eurofound and Cedefop. The publication reviews ageing trends, reflects on recent policy responses, mostly focused on increasing retirement ages and limiting early access to pension, and proposes ways forward to ensure that active ageing can support longer and healthier working lives. Each agency focused on a different aspect of demographic change and its implications for employment, working conditions, workers' health and education and training. Cedefop's chapter focused on the role of VET for active ageing. It presents recent demographic and labour market trends, including employment, skills and lifelong learning and shows how VET and other policies can contribute to keeping older workers employed, active and skilled. The chapter also covers guidance and counselling for mature learners, the role of suitable learning approaches, validation and comprehensive age-management strategies in enterprises.

Another example is the ITC-ILO/Cedefop/ETF/AFD<sup>(90)</sup> common workshop/training course on 'Financing skills development', which took place in March in Turin<sup>(91)</sup>. It focused on sharing knowledge about systems and mechanisms of financing training and the conditions that need to be in place to provide appropriate funding for skills development.

### **Cooperation with the ETF**

The collaboration of the two agencies has a long standing tradition. Since its outset in 1997, ETF and Cedefop have aimed at creating synergies in areas that are relevant to both agencies, taking into account their different mandates, geographical scope and stakeholders. This has led to increased efficiency, economies of scale and increased service levels. The current framework (2014-2017) aims at more structured cooperation in thematic areas, projects and activities of common concern to the Commission and to each of the agencies' stakeholders and regulatory functions. Joint activities of Cedefop and ETF in 2016 were based on this cooperation framework.

In 2016, Cedefop and ETF experts were involved in events and projects of mutual interest organised by both agencies. ETF actively participated to the Cedefop – UNESCO Conference 'Skills, Jobs and Sustainable Development' that took place in October in Paris – UNESCO headquarters and Cedefop contributed to the ETF Conference 'Getting organised for better qualifications' in November in Brussels. One joint meeting was convened in July to ensure knowledge-sharing and complementarity in activities of the two agencies. The meeting took place in Turin and focused on: (a) quality assurance of certification in IVET, (b)

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<sup>(90)</sup> International Training Center-International Labour Organisation (ITC-ILO) / European Training Foundation (ETF) / Agence Française de Développement (AFD)

<sup>(91)</sup> <http://www.cedefop.europa.eu/en/events-and-projects/events/training-workshop-financing-skills-development-0>

the impact of globalisation on VET, (c) the IVET mobility scoreboard and (d) VET monitoring through partnership: Cedefop ReferNet.

The two agencies continued joint work on a revised approach to reporting on VET policies and systems. Background papers for the June ACVT and the October DGVT meetings on monitoring countries' progress towards the commonly agreed priorities for VET2015-20 (Riga conclusions) were jointly prepared and presented.

Cedefop and ETF are also cooperating in the frame of a comparative study of 10 learning outcomes based VET qualifications which currently is being carried out in 25 countries inside as well as outside Europe (in cooperation also with UNESCO). The study allows for a systematic discussion on strengths and weaknesses of existing ways of defining and writing learning outcomes for VET.

Preparatory work on the third edition of the Global inventory on national and regional qualifications frameworks started in close cooperation of Cedefop, ETF and UNESCO. The first outline of the inventory which will be available in 2017 has been agreed including the outline of the thematic chapters and structure of the national and regional cases.

The two agencies continue their close collaboration in the area of work-based learning and adult learning also in the frame of the Inter-Agency Working Group on work-based learning together with the OECD, ILO, UNESCO and other major international organisations.

The ITC-ILO-Cedefop-ETF-AFD common workshop/training course on 'Financing skills development' took place on 7-11 March 2016 in Turin. The workshop provided an opportunity for knowledge sharing about systems and mechanisms of financing training and the conditions that need to be in place to provide appropriate funding for skills development.

Since 2013, Cedefop, the ETF and the ILO have engaged in a joint endeavour to promote methods for skills anticipation and matching. Part of this effort was the preparation of six guides on methods and approaches to be used to anticipate skill needs. The guides take a very practical stance and are aimed at national/regional authorities, sector organisations and public employment services. Five of the six Guides to anticipating and matching skills and jobs were published in 2016: a) Using labour market information, b) Developing skills foresights, scenarios, and forecasts, c) Working at sectoral Level, d) The role of employment service providers and e) Carrying out tracer studies.

Close cooperation was carried with the Brussels offices of ETF and Eurofound.

### **Cooperation with the Eurofound**

Cooperation between Eurofound and Cedefop takes place in the framework of a collaboration agreement renewed in 2016. Each year, based on an early analysis of the respective work programmes, activities of common interest are identified. This helps to structure the exchange of knowledge and sharing of expertise between the two Agencies, to avoid overlaps as well as to identify promising areas for close collaboration, such as in the case of the European Company Survey.

In 2016, Cedefop and Eurofound explored the possibility of organising together the next round of the European Company Survey. To do so, both agencies reflected upon a thematic focus for the survey that would be policy relevant, answer key questions about European companies' strategies and tap on the respective expertise of both agencies. The resulting

proposal for a survey was presented to an ad hoc consultative group composed of representatives of the Governing Board of both agencies (EC, Government group, Employers' group and trade unions' group). The consultative group endorsed and refined the proposal, which was then adopted by the Governing Board of each agency.

The joint Cedefop/Eurofound European Company survey will focus on the link between company skills and business strategies - including the response to digitalisation - and how they affect business outcomes. The joint European Company Survey will add to the available evidence and draw on each Agency's strengths while increasing efficiency and cost-effectiveness. The project leading to the survey will start in 2017 and first results will be available by end 2019.

Knowledge sharing between the two Agencies is ongoing. In 2016, the following topics were subject of specific exchanges: the future of manufacturing (with a focus on apprenticeship) and NEETS.

### **Cooperation with the EU Agencies Performance Development Network**

In 2016, Cedefop continued to benefit and contribute to the work of the EU agencies' performance development network (PDN). The PDN work supports directly the common approach of EU decentralised agencies for more balanced governance, improved efficiency and coherence between them.

The network develops templates, guidelines, and toolkits as follow-up to the European Commission's roadmap. In 2016 Cedefop contributed to several activities of PDN work. It participated in two meetings of the network, contributed to the EC Roadmap revision and shared its experience with other EU agencies on developing Key Performance Indicators for the EU Agencies Directors.

The exchange of ideas and practices with other EU agencies on topics of common interest has been beneficial to Cedefop, especially in relation to developing a new performance indicator on the quality of Cedefop's stakeholder consultation and on developing ex-post controls on procurement procedures. In addition, PDN provided a good forum for exchanging views on the preparation of the Programming Document 2017-20 especially with Cedefop's 'sister' agencies EUROFOUND, ETF and EU-OSHA.

### **Cooperation with the EU Agencies Coordination**

In 2016, Cedefop has, again, actively cooperated with other Agencies, both through the relevant networks and meetings under the aegis of the EU Agencies Coordination and directly with individual Agencies, based on shared interest and need.

At EU Agencies level, Cedefop has extensively contributed to the shared services catalogue, offering support to Agencies in all horizontal services (HR, IT, procurement, Facilities). It has systematically contributed to inter-Agency consultations launched by the Coordination and participated in ad hoc working groups such as the Mutual Value Creation Task Force and the Inter-Agency Competence Framework Working Group. It has pursued efficiency gains by joining, as appropriate, inter-Agency procurement procedures such as the call for tender of online language learning administered by EFSA.

Cedefop has also successfully leveraged synergies with individual Agencies; for example, it participated in ENISA's pan-European cyber crisis cooperation exercise (CYBER Europe

2016) with a view to enhancing Cedefop's ICT security infrastructure and hosted a visit from ENISA to exchange best practices in HR management. Cedefop also provided ad hoc support and fostered knowledge sharing with other Agencies in areas ranging from health and safety to selection procedures. At EU level, Cedefop has become a constituent of the Computer Emergency Response Team (CERT-EU) for the EU institutions, agencies and bodies, which serves as a forum to share and exchange ICT Security knowledge and data related to malware, cyber threats and cyber-attacks.

These diverse strands of cooperation have enabled Cedefop to capitalise on sharing of knowledge and expertise. Against the background of increasing resource constraints, Agency cooperation also provides a unique opportunity for synergies and sharing of resources in selected areas.

## Annex IX: Risk Management Plan 2016

Risk management plan (RMP) 1 (risks on activity/project level)	
Issue	Common European tools, qualifications and learning outcomes
Responsible in Cedefop	Department DSI
Risk	The European Commission decides to entrust Cedefop with the development of a 'single integrated service'. This will have substantial repercussions on the achievement of the agreed objectives for 2016 for all EU tools, including the skills panorama, as well as the work on qualifications and learning outcomes.
Planned mitigating actions	Continuous follow-up and monitoring of developments in cooperation with the European Commission. Discuss with the Bureau and Governing Board negative priorities and how to secure human and financial resources.
Risk management plan (RMP) 2 (generic risks)	
Issue	Unforeseen demands by stakeholders
Responsible in Cedefop	Management
Risk	Delivery/quality is affected as demands from stakeholders, including European institutions, are not backed up by additional resources and so overstretch available resources without allowing activities to be well-planned and aligned. This may affect Cedefop's reputation and the quality and impact of the outcomes it produces.
Planned mitigating actions	Streamlining of activities in the early planning phase of the work programme, discuss negative priorities in house and with Governing Board and Bureau, and regular reporting to the latter on changes in the implementation of the work programme. Clear communication of Cedefop's objectives and capacity, anticipation of needs, monitoring of developments.

## Annex X: Key decisions of the Governing Board

The table below outlines the decisions and documents adopted by the Governing Board in 2016 and provides a link to Cedefop's website for public documents/information:

Date	Written procedure - Meeting	Decision/Document ( <i>link if public document</i> )
29/01/2016	Written procedure	Programming Document 2017-2020 - draft - internal ref. no RB(2016)00123
31/03/2016	Written procedure	Estimate of Revenue and Expenditure for the financial year 2017 - internal ref. no RB(2016)00704
21/04/2016	Written procedure	Decision of the Governing Board on general provisions for measures concerning leave on personal grounds for officials and unpaid leave for temporary and contract staff of the European Union - Cedefop-DGE-26-2016-internal ref.no RB(2016)00891
22/04/2016	Written procedure	Annual Report 2015 <sup>(92)</sup>
23/06/2016	Written procedure	Final Annual Accounts financial year 2015-including the opinion of the GB-internal ref.no RB(2016)01300 and RB(2016)01204 <sup>(93)</sup>
27/06/2016	Written procedure	Cedefop Consolidated Annual Activity Report 2015 including Governing Board Analysis and Assessment <sup>(94)</sup>
08/07/2016	Bureau meeting	Adoption of minutes of the Bureau meeting 21 April 2016-internal ref. no RB(2016)01430
27/09/2016	Written procedure	Decision of the Governing Board on general provisions for implementing Article 45 of the Staff Regulations - Cedefop-DGE-27-2016 - internal ref.no RB(2016)01456
27/09/2016	Written procedure	Decision of the Governing Board on general provisions for implementing Article 54 of the Conditions of Employment of Other Servants of the European Union-Cedefop-DGE-28-2016 - internal ref.no RB(2016)01457
27/09/2016	Written procedure	Decision of the Governing Board on general provisions for implementing Article 87(3) of the Conditions of Employment of Other Servants of the European Union-Cedefop-DGE-29-2016 - internal ref.no RB(2016)01458
28/09/2016	Bureau meeting	Adoption of minutes of the Bureau meeting 7-8/07/2016 - internal ref.no DIR/RB(2016)01904
30/09/2016	Governing Board meeting	Decision of the Governing Board on implementing provisions to the Staff Regulations pursuant to Article 110 - internal RB(2016)01905
30/09/2016	Governing Board meeting	Decision of the Governing Board on general implementing provisions on the non-application of the Commission Decision on the maximum duration for the recourse to non-permanent staff in the Commission services-Cedefop-DGE-31-2016
30/09/2016	Governing Board meeting	Decision of the Governing Board on general implementing provisions on Article 55a of the Staff Regulations and Annex IVa thereto concerning part-time - Cedefop-DGE-30-2016.
01/12/2016	Enlarged Bureau meeting	Adoption of the minutes of the Bureau meeting 28/09/2016 - internal ref.no RB(2016)02361
15/12/2016	Written procedure	Programming Document 2017-2020 - ref.no RB(2016)02518 <sup>(95)</sup>

<sup>(92)</sup> <http://www.cedefop.europa.eu/en/publications-and-resources/publications/4145>

<sup>(93)</sup> <http://www.cedefop.europa.eu/en/about-cedefop/finance-and-budget/annual-accounts>

<sup>(94)</sup> <http://www.cedefop.europa.eu/en/about-cedefop/what-we-do/annual-reports>

Date	Written procedure - Meeting	Decision/Document ( <i>link if public document</i> )
19/12/2016	Written procedure	Cedefop Budget 2017 and Establishment plan 2017 <sup>(96)</sup>
19/12/2016	Written procedure	Minutes of the GB meeting 29-30/09/2016 - internal ref.no RB(2016)02362

The Bureau reported to the Governing Board on the key issues the Bureau/Enlarged Bureau dealt with since the Governing Board meeting in June 2015 (reporting sent out on 1 September 2016).

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<sup>(95)</sup> <http://www.cedefop.europa.eu/en/about-cedefop/what-we-do/work-programme>

<sup>(96)</sup> <http://www.cedefop.europa.eu/en/about-cedefop/finance-and-budget/budget-and-discharge>

**Annex XI: Report on leaves authorized under the flexitime and compensatory schemes (2016)**

Cat.	A No. of staff members	B Total extra days worked	C=B/A Average total days worked	D Total Compen- sation Days Taken	F=B-D <b>Net</b> extra days worked ( <sup>97</sup> )	G=F/A Average net extra days worked	H=D/A Average days of compen- sation
AD 14	1	54.7	54.7	0	54.7	54.7	0
AD 13	1	71.9	71.9	0	71.9	71.9	0
AD12	4	55.1	13.8	34.5	20.6	5.1	8.6
AD 11	8	191.6	23.9	48.5	143.1	17.9	6.1
AD 10	5	339.1	67.8	41.0	298.1	59.6	8.2
AD 9	5	75.2	15.0	34.5	40.7	8.1	6.9
AD 8	3	51.4	17.1	34.0	17.4	5.8	11.3
AD 7	4	55.4	13.8	39.0	16.4	4.1	9.8
AD 6	8	94.9	11.9	60.5	34.4	4.3	7.6
AD 5	6	104.3	17.4	63.0	41.3	6.9	10.5
AST 9	2	46.1	23.1	33.5	12.6	6.3	16.8
AST 8	3	51.2	17.1	20.5	30.7	10.2	6.8
AST 7	4	156.1	39.0	63.5	92.6	23.2	15.9
AST 6	2	26.1	13.1	7.5	18.6	9.3	3.8
AST 5	11	124.3	11.3	62.5	61.8	5.6	5.7
AST 4	13	173.0	13.3	86.0	87.0	6.7	6.6
AST 3	5	46.4	9.3	27.5	18.9	3.8	5.5
AST 2	1	3.8	3.8	1.0	2.8	2.8	1.0
FG IV	5	59.1	11.8	26.5	32.6	6.5	5.3
FG III	7	164.2	23.5	55.0	109.2	15.6	7.9
FG II	10	94.2	9.4	52.0	42.2	4.2	5.2
FG I	2	12.9	6.5	0	12.9	6.5	0
SNE	3	46.7	15.6	26.5	20.2	6.7	8.8

(<sup>97</sup>) Net extra days worked: Accounting the total number of extra days worked less the number of compensation days taken throughout the year.

## **Annex XII: Report of the Data protection officer**

**NOTE TO THE DIRECTOR****Data Protection Annual Progress Report January - December 2016****1. Introduction**

The objective of this document is to report on the progress of data protection issues in Cedefop and, in particular, to present the activities carried out by its Data Protection Officers. This report covers the period January to December 2016.

**2. Management summary**

Protection of personal data is a high priority for Cedefop and compliance with all the processing operations is a necessary quality of proper governance and cooperation with the EDPS. The Cedefop DPOs have continued this year the activities of promoting data protection, disseminating information, providing consultation, cooperation and support internally with the data protection stakeholders (controllers, data subjects, and the Staff Committee), and externally with the DPO network and the EDPS. To this end, the DPOs cooperated with the controllers as well as the staff in all the matters involving protection of personal data. The DPOs took an active position on consulting the EDPS for all the relevant matters as well as responded to communications and requests of the EDPS. The DPOs have attended the DPO network meetings and EDPS meetings. As far as the administrative work is concerned, the DPOs updated the inventory and register with the processing operations and notifications that were established this reporting period.

The consultations of the DPO on data protection addressed to the EDPS have returned valuable knowledge and have answered questions raised.

Ensuring proper implementation of Regulation 45/2001 requires an effort and dedication of time from controllers and services in parallel to their day-to-day operations representing additional workload. The part-time job allocation of the DPOs is supplemented with the work of a full-time trainee who possesses legal background, thus facilitating the continuation of data protection work at Cedefop and supporting the DPOs in the legal aspects of their responsibilities.

paper files and books related to the DPO tasks were given to the newly appointed DPO. The old DPOs provided feedback and advise to the new DPO as requested during the period August to December of 2016

The DPOs attended the following DPO network meetings and Data Protection trainings:

1. DPO Network Meeting, Dublin 27-28 April Mission # 20160079, 20160090
2. DPO Network Meeting, Alicante 26-27 October, Mission # 20160288
3. DPO Training, Maastricht 27 June - 01 July, Mission # 20160207

### 3.1. Figures and facts

The DPOs did not submit to the EDPS any new notifications to be processed subject to prior-checking under Article 27, because there were no new processing operations that fall under this article taking place at the Centre. However, the EDPS was informed in December 2016 of updates to the existing prior-checked notification regarding the promotion procedure. This was registered by the EDPS as case number 2017-0171.

The registry and Inventory have been updated with new notifications for processing operations that contain personal data and fall under Article 25 (normal processing):

1. CDFNOT060-Telephone-Cascade (was updated)
2. CDFNOT069-Release of ESJS Microdata (NEW)
3. CDFNOT070-Establishment of a file concerning Visiting Researchers and Unpaid Trainees (NEW)

Consultations with the DPO:

1. Europass CV "Privacy information to the user who wishes to share their CV" - consultation (April 2016)
2. Third Party information in Fibus - consultation (June 2016)
3. Data Breach related to the Traineeship e-mail addresses – consultation (July 2016)
4. New promotion procedure - consultation (September 2016)
5. Capture of audio-visual material at events by DCM – consultation (September 2016)

data controller. This activity depends on budget, workload and the availability of external DPOs.

Moreover several information induction sessions were delivered to new staff members by the DPO, on 30-03-2016, 20-04-2016, 3,4-10-2016.

#### 4.1. To controllers

According to article 4 (1) of GB of Implementing Rules Concerning Data Protection at Cedefop, the DPOs advise the data controllers on matters concerning the application of data protection provisions. After the EDPS compliance survey a note was sent to all the controllers reminding them that it is their obligation to take care and arrange for the deletion of the personal data according to the retention period of their processing operations.

#### 4.2. To data subjects

There are at least two occasions where Data Protection awareness takes place during the year:

a) During the Data Protection Day (28<sup>th</sup> of January) where the DPO sets up a stand in the Cafeteria and makes an active engagement with the data subjects and where there is dissemination to staff of FRA's "Handbook of European Data Protection" in both English and Greek.

b) An induction procedure on data protection has been established at Cedefop. More specifically, the DPO shares an information session on an individual basis with all the new staff members where the Data Protection Regulation is explained in detail. The new staff members are informed on data protection, privacy at work and outside work (using the internet). This is an ex-ante approach on informing new staff members of their rights and responsibilities as regards data protection is very useful to understand the roles of processors, data controllers, and all the elements of the Data protection regulation. This is a preventive and positive step in providing the proper information at the time of entry into service to all the staff members and the trainees.

Independently of the induction program and the information sessions, informal meetings also take place during the year with data subjects and data controllers on data protection related issues.

#### 4.3. Internal data subjects

A specific effort is continuously required from the controllers to clearly separate the process of notification to the DPO from the process of information to the data subjects. It is important to note that Data Protection notices are external communication tools to inform the data subjects and the public of the roles of the different processing operations. Internal Policies are also maintained and kept up to date with the rules that control the processing operations.

The dedication of time during the period of January-December 2016 has been approximately 60 working days (20 working days of two temporary posts and one contract agent post).

A full time trainee with Legal background was allocated to the Data Protection Officers under the 'Office of the Director' between October 2015 and June 2016, and then again from October 2016 until June 2017. Thus, a trainee was available for nine months of 2016.

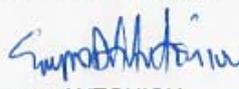
## 7.2. Budget

An estimated expenditure for the data protection activities during the specified period of this report can be summarized as follows:

Activity	Amount
Mission costs for DPOs	
20160079	1,094.41 €
20160090	1,057.04 €
20160288	1,307.62 €
20160207	1,563.75 €
Training Cost	1,890.00 €
DPO <sup>1</sup> (AD11) ~1 months 11,677.96 € x 1 =	~ 11,278.65 €
DPO (AD9) ~1 months 8,650.14 € x 1 =	~ 8,650.14 €
DPO (FGIII/9) 1 months 3,792.32 € x 1 =	~ 3,732.32 €
DPO Trainee 9 months	~ 8,509.46 €
<b>Total</b>	<b>~ 39,083.39€</b>

## 8. Communication tools

The [data-protection-officer@cedefop.europa.eu](mailto:data-protection-officer@cedefop.europa.eu) mail account is available for any questions or comments regarding data protection issues at Cedefop:



  
 Spyros ANTONIOU      Jesús BUSTAMANTE      Robert STOWELL

<sup>1</sup> These are the average monthly figures based on the Human Resources (HR) numbers fed into the Activity Based Budget (ABB)