

## REPORT

**on the annual accounts of the Translation Centre for the Bodies of the European Union for the financial year 2010, together with the Centre's reply**

(2011/C 366/21)

## INTRODUCTION

1. The Translation Centre for the Bodies of the European Union (hereinafter 'the Centre'), which is located in Luxembourg, was established by Council Regulation (EC) No 2965/94<sup>(1)</sup>. The Centre's role is to provide any European Union institutions and bodies which call upon its services with the translation services necessary for their activities<sup>(2)</sup>.

2. The Centre's 2010 budget amounted to 55,9 million euro, compared with 62,6 million euro the previous year. The number of staff employed by the Centre at the end of the year was 225, as compared with 218 the previous year.

## STATEMENT OF ASSURANCE

3. Pursuant to the provisions of Article 287(1), second subparagraph, of the Treaty on the Functioning of the European Union, the Court has audited the annual accounts<sup>(3)</sup> of the Centre, which comprise the 'financial statements'<sup>(4)</sup> and the 'reports on the implementation of the budget'<sup>(5)</sup> for the financial year ended 31 December 2010, and the legality and regularity of the transactions underlying those accounts.

4. This Statement of Assurance is addressed to the European Parliament and the Council in accordance with Article 185(2) of Council Regulation (EC, Euratom) No 1605/2002<sup>(6)</sup>.

## The Director's responsibility

5. As authorising officer, the Director implements the revenue and expenditure of the budget in accordance with

the financial rules of the Centre, under his own responsibility and within the limits of the authorised appropriations<sup>(7)</sup>. The Director is responsible for putting in place<sup>(8)</sup> the organisational structure and the internal management and control systems and procedures relevant for drawing up final accounts<sup>(9)</sup> that are free from material misstatement, whether due to fraud or error, and for ensuring that the transactions underlying those accounts are legal and regular.

## The Court's responsibility

6. The Court's responsibility is to provide, on the basis of its audit, a statement of assurance as to the reliability of the annual accounts of the Centre and the legality and regularity of the transactions underlying them.

7. The Court conducted its audit in accordance with the IFAC and ISSAI<sup>(10)</sup> International Auditing Standards and Codes of Ethics. Those standards require the Court to comply with ethical requirements and to plan and perform the audit so as to obtain reasonable assurance as to whether the accounts are free of material misstatement and whether the underlying transactions are legal and regular.

8. The Court's audit involves performing procedures to obtain audit evidence of the amounts and disclosures in the accounts and of the legality and regularity of the transactions underlying them. The procedures selected, including its assessment of the risks of material misstatement of the accounts or of illegal or irregular transactions, whether due to fraud or error, depend on its audit judgement. In making those risk assessments, internal controls relevant to the entity's preparation and presentation of accounts are considered in order to design audit procedures that are appropriate in the circumstances. The Court's audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the accounts.

<sup>(1)</sup> OJ L 314, 7.12.1994, p. 1.

<sup>(2)</sup> The *Annex* summarises the Centre's competences and activities. It is presented for information purposes.

<sup>(3)</sup> These accounts are accompanied by a report on the budgetary and financial management during the year which gives inter alia an account of the rate of implementation of the appropriations, with summary information on the transfers of appropriations among the various budget items.

<sup>(4)</sup> The financial statements include the balance sheet and the economic outturn account, the cash-flow table, the statement of changes in capital and the annex to the financial statements, which includes a description of the main accounting policies and other explanatory information.

<sup>(5)</sup> The budget implementation reports comprise the budget outturn account and its annex.

<sup>(6)</sup> OJ L 248, 16.9.2002, p. 1.

<sup>(7)</sup> Article 33 of Commission Regulation (EC, Euratom) No 2343/2002 (OJ L 357, 31.12.2002, p. 72).

<sup>(8)</sup> Article 38 of Regulation (EC, Euratom) No 2343/2002.

<sup>(9)</sup> The rules concerning the presentation of the accounts and accounting by the Agencies are laid down in Chapter 1 of Title VII of Regulation (EC, Euratom) No 2343/2002, as last amended by Regulation (EC, Euratom) No 652/2008 (OJ L 181, 10.7.2008, p. 23), and are integrated as such in the Financial Regulation of the Centre.

<sup>(10)</sup> International Federation of Accountants (IFAC) and International Standards of Supreme Audit Institutions (ISSAI).

9. The Court believes that the audit evidence obtained is sufficient and appropriate to provide a basis for the opinions set out below.

***Opinion on the reliability of the accounts***

10. In the Court's opinion, the Centre's Annual Accounts <sup>(11)</sup> fairly present, in all material respects, its financial position as of 31 December 2010 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation.

***Opinion on the legality and the regularity of the transactions underlying the accounts***

11. In the Court's opinion, the transactions underlying the annual accounts of the Centre for the financial year ended 31 December 2010 are, in all material respects, legal and regular.

**FOLLOW-UP FROM PREVIOUS YEAR'S FINDINGS**

12. During 2010, the Centre reduced its accumulated 2009 surplus of 24 million euro to 9,2 million euro principally by transferring funds to the Union's pension scheme and by reimbursing the Centre's clients.

This Report was adopted by Chamber IV, headed by Mr Igors LUDBORŽS, Member of the Court of Auditors, in Luxembourg at its meeting of 6 September 2011.

*For the Court of Auditors*  
Vitor Manuel da SILVA CALDEIRA  
*President*

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<sup>(11)</sup> The Final Annual Accounts were drawn up on 30 May 2011 and received by the Court on 29 June 2011. The Final Annual Accounts can be found on the following website <http://eca.europa.eu> or [www.cdt.europa.eu](http://www.cdt.europa.eu)

## ANNEX

**Translation Centre for the Bodies of the European Union (Luxembourg)****Competences and activities**

<b>Areas of Union competence</b>	The representatives of the Member States' governments adopted by mutual agreement a declaration concerning the creation, under the aegis of the Commission's translation departments in Luxembourg, of a Translation Centre for the bodies of the Union, which would provide the necessary translation services for the operation of the bodies and services whose seats were established by the Decision of 29 October 1993.
<b>Competences of the Centre</b> <i>(Council Regulation (EC) No 2965/94, as last amended by Regulation (EC) No 1645/2003)</i>	<p><b>Objectives</b></p> <p>To provide the necessary translation services for the operation of the following bodies:</p> <ul style="list-style-type: none"> <li>— the European Environment Agency,</li> <li>— the European Training Foundation,</li> <li>— the European Monitoring Centre for Drugs and Drug Addiction,</li> <li>— the European Medicines Agency,</li> <li>— the Executive Agency for Health and Consumers,</li> <li>— the Office for Harmonization in the Internal Market (Trademarks and Designs),</li> <li>— the European Police Office (Europol) and the Europol Drugs Unit.</li> </ul> <p>Bodies set up by the Council other than the above may use the Centre's services. The institutions and bodies of the European Union which already have their own Translation Services may, if need be, call upon the Centre's services on a voluntary basis.</p> <p>The Centre plays a full part in the work of the Interinstitutional Translation Committee.</p> <p><b>Tasks</b></p> <ul style="list-style-type: none"> <li>— To make arrangements for cooperation with the bodies and institutions,</li> <li>— to participate in the work of the Interinstitutional Translation Committee.</li> </ul>
<b>Governance</b>	<p><b>1 — Management Board</b></p> <p><i>Composition</i></p> <ul style="list-style-type: none"> <li>— one representative per Member State,</li> <li>— two representatives from the Commission,</li> <li>— one representative from each body or institution calling upon the Centre's services.</li> </ul> <p><i>Task</i></p> <p>Adopts the Centre's annual work programme and annual report.</p> <p><b>2 — Director</b></p> <p>Appointed by the Management Board on a proposal from the Commission.</p> <p><b>3 — External audit</b></p> <p>Court of Auditors.</p> <p><b>4 — Discharge authority</b></p> <p>Parliament, acting on a recommendation from the Council.</p>
<b>Resources made available to the Centre in 2010 (2009)</b>	<p><b>Final budget</b></p> <p>55,9 million euro (62,6 million euro)</p> <p><b>Staff</b></p> <p>225 (233) provided in the establishment plan, of which 215 (202) were occupied + 10 (16) contract agents</p> <p>Total staff: 225 (218), undertaking the following tasks:</p> <p>operational: 110 (114)</p> <p>administrative: 115 (104)</p>

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**Products and services 2010  
(2009)***Number of pages translated:*

819 598 (736 008)

*Number of pages by languages:*

— official languages: 813 907 (730 565)

— other languages: 5 691 (5 443)

*Number of pages per client:*

— bodies: 805 529 (708 589)

— institutions: 14 069 (21 789)

*Number of pages translated by freelances:*

448 160 (409 788)

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*Source:* Information supplied by the Centre.

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**THE CENTRE'S REPLY**

12. In the framework of its new pricing policy, intending to respect the equilibrium between its revenue and its effectively incurred expenses, the Centre has proposed to the Management Board to create a reserve of 4,3 million euro for investments into e-CDT program to be realised over the years 2012-2013 and a price stability fund of 4,9 million euro to compensate for the potential decrease of its revenue due to the anticipated reduction of translation requests from its major client.

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