2006 discharge: European Centre for Disease Prevention and Control ECDC

2007/2060(DEC) - 15/11/2007

PURPOSE: to present the report of the Court of Auditors on the 2006 accounts of the European Centre for Disease Prevention and Control.
CONTENT: the report notes that the appropriations entered in the Centre's budget for the financial year in question, amount to **EUR 17.146 million**, of which EUR 16.872 million was committed and EUR 9.775 million paid. Out of this general amount, EUR 7.097 million was carried over to 2007 and EUR 274 000 was cancelled.

The Court notes that the accounts for the financial year are reliable in all material aspects and that the underlying transactions of the Agency's accounts are, on the whole, legal and regular.

Analysis of the accounts by the Court: the Court states that nearly 45 % of the commitments entered into during the year were carried over. Moreover, numerous transfers were made during the second half of 2006, due mainly to imprecise estimates of staffing needs (as a result, appropriations from title I were reduced by EUR 1.6 million). These transfers were made without the Centre's Governing Board having been informed in due time. Thus, the budgetary principles of **annuality** and **specification** were not strictly observed.

Legal commitments (value = EUR 320 000) were entered into in the absence of prior budgetary commitments, in breach of the financial regulation. The Court notes that, during the year, pre-financing items were booked as budget expenditure, and not as advance payments. No procedure existed to highlight these items. At the year-end, during the closure-of-accounts procedure, the accounting officer searched manually for any outstanding pre-financing items. This led to an increased risk of errors (EUR 40 000) in the derivation of the amount.

The Court also notes that the rules on **procurement** procedures are not strictly enforced. The following anomalies (value = EUR 230 000) were observed by the Court:

- lack of clear selection criteria;
- incorrect choice of the procedure;
- non respect of the procedure described in the tender notice;
- insufficient documentation of the procedure.

The Centre's replies: the Centre considers the criticisms point by point and notes that the year 2006 was the first full year of operation of the Centre. The unpredictability of certain developments, especially in recruitment, resulted in required budget transfers. In 2007, management paid particular attention to the planning and monitoring of workplans and budgets, in order to limit the appropriations that are carried over.

The Centre notes that, to improve the internal control systems (e.g. internal procedures, new workflows, training of staff), internal capacities have been established and measures were taken to address the identified weaknesses. It also specifies that, since the beginning of 2007, all prefinancing are directly booked as advance payment.

Lastly, in terms of procurement, the Centre notes that the referred anomalies relate to the first full year of operation. Since then, substantial progress has been made in strengthening the financial/procurement area (e.g. financial officers in the operational units, internal audit capability being set up, financial circuits reassessed, financial procedures adopted, training of staff, review contracts).