2016 discharge: European Centre for Disease Prevention and Control (ECDC)

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The Committee on Budgetary Control adopted the report by Bart STAES (Greens/EFA, BE) on discharge in respect of the implementation of the budget of the European Centre for disease Prevention and Control (ECDC) for the financial year 2016.

The committee called on the European Parliament to grant the Director of the Centre discharge in respect of the implementation of the agency's budget for the financial year 2016.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Centre for the financial year 2016 were reliable and that the underlying transactions were legal and regular, Members called on Parliament to approve the closure of the Centre's accounts.

They made, however, a number of recommendations that needed to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on performance, financial management and control of EU agencies:

- **Centre's financial statements**: the final budget of the Centre for the financial year 2016 was EUR 58 247 650, representing a slight decrease of 0.35 % compared to 2015. 97.46 % of the Centre derives from the Union budget.
- **Legality and regularity of transactions**: Members acknowledged from the Centre that, following the Court's comments on various weaknesses found regarding the transparency of the Centre's procurement procedures, the Centre has changed the format and process it uses to create the financing decision for its procurements.
- In May 2015, the Centre's Director *ad interim* was appointed by a management board decision. As of 31 December 2016, that posting exceeded the one year maximum period stipulated in the Staff Regulations by eight months. Members regretted moreover that this has also resulted in 15 additional *ad interim* arrangements for other staff.
- **Budget and financial management**: budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 98.02 %, representing an increase of 3.97 % compared to 2015. Members recalled that, as a Union agency, the Centre has a budget which is denominated in euro. However, since its seat is outside the Euro-zone (in Sweden), a lot of its expenses are incurred in Swedish krona (SEK). The Centre is exposed to exchange rate fluctuations since not only does it have bank accounts in Swedish krona, it also carries out certain transactions in other foreign currencies.
- **Commitments and carry-overs**: as in previous years, committed appropriations carried over for operational expenditure were high at 41 % (EUR 7.9 million. Carry-overs mainly relate to multiannual projects in the areas of scientific advice, surveillance, public health training and public health IT. Members suggested that the Centre consider introducing differentiated budget appropriations to better reflect the multiannual nature of operations and unavoidable delays between the signature of contracts, deliveries and payments. Carry-overs are often justified and do not necessarily indicate weaknesses in budget planning and implementation.

Members also made a series of observations regarding the prevention and management of conflicts of interests, staff policy and internal audits and controls.

They noted that in spring of 2016, the Centre forwarded a new building project proposal to the Parliament and Council. It received a favourable opinion from both institutions and on 26 July 2016, the Centre signed a new lease agreement and will therefore be moving to new premises in the first half of 2018.

While congratulating the Centre on receiving the European Health Award 2016 for its European Antibiotic Awareness Day, Members regretted that a number of activities included in the Centre's work programme for 2016 were not implemented due to resources constraints.