## Basic information

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|---|---|
| **2012/2195(DEC)**<br>DEC - Discharge procedure | Procedure completed |
| 2011 discharge: European Centre for Disease Prevention and Control (ECDC)<br>**Subject**<br>8.70.03.07 Previous discharges | |

## Key players

### European Parliament

| Committee responsible | Rapporteur | Appointed |
|---|---|---|
| CONT Budgetary Control | GERBRANDY Gerben-Jan (ALDE) | 29/02/2012 |
| | Shadow rapporteur<br>SARVAMAA Petri (PPE)<br>AYALA SENDER Inés (S&D)<br>STAES Bart (Verts/ALE)<br>BRADBOURN Philip (ECR)<br>SØNDERGAARD Søren Bo (GUE/NGL)<br>ANDREASEN Marta (EFD)<br>EHRENHAUSER Martin (NI) | |

| Committee for opinion | Rapporteur for opinion | Appointed |
|---|---|---|
| ENVI Environment, Public Health and Food Safety | HAUG Jutta (S&D) | 20/09/2012 |

### European Commission

| Commission DG | Commissioner |
|---|---|
| Budget | ŠEMETA Algirdas |

## Key events

| Date | Event | Reference | Summary |
|---|---|---|---|
| 25/07/2012 | Non-legislative basic document published | COM(2012)0436 | Summary |

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|---|---|---|---|
| 13/09/2012 | Committee referral announced in Parliament | | |
| 19/03/2013 | Vote in committee | | |
| 21/03/2013 | Committee report tabled for plenary | A7-0082/2013 | Summary |
| 16/04/2013 | Debate in Parliament | | |
| 17/04/2013 | Decision by Parliament | T7-0142/2013 | Summary |
| 17/04/2013 | Results of vote in Parliament | | |
| 17/04/2013 | End of procedure in Parliament | | |
| 16/11/2013 | Final act published in Official Journal | | |

## Technical information

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| **Procedure reference** | 2012/2195(DEC) |
| **Procedure type** | DEC - Discharge procedure |
| **Stage reached in procedure** | Procedure completed |
| **Committee dossier** | CONT/7/10533 |

## Documentation gateway

**European Parliament**

| Document type | Committee | Reference | Date | Summary |
|---|---|---|---|---|
| Committee draft report | | PE497.822 | 28/01/2013 | |
| Committee opinion | ENVI | PE500.741 | 28/01/2013 | |
| Amendments tabled in committee | | PE497.871 | 27/02/2013 | |
| Committee report tabled for plenary, single reading | | A7-0082/2013 | 21/03/2013 | Summary |
| Text adopted by Parliament, single reading | | T7-0142/2013 | 17/04/2013 | Summary |

**Council of the EU**

| Document type | Reference | Date | Summary |
|---|---|---|---|
| Document attached to the procedure | 05753/2013 | 01/02/2013 | Summary |

**European Commission**

| Document type | Reference | Date | Summary |
|---|---|---|---|
| Non-legislative basic document | COM(2012)0436 | 25/07/2012 | Summary |

**Other institutions and bodies**

| Institution/body | Document type | Reference | Date | Summary |
|---|---|---|---|---|

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|---|---|---|---|---|
| CofA | Court of Auditors: opinion, report | N7-0014/2013<br>OJ C 388 15.12.2012, p. 0066 | 11/09/2012 | Summary |

| Additional information | | |
|---|---|---|
| **Source** | **Document** | **Date** |
| European Commission | EUR-Lex | |

| Final act | |
|---|---|
| Decision 2013/0568<br>OJ L 308 16.11.2013, p. 0203 | Summary |

# 2011 discharge: European Centre for Disease Prevention and Control (ECDC)

2012/2195(DEC) - 25/07/2012 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2011, as part of the 2011 discharge procedure.

Analysis of the accounts of the **European Centre for Disease Prevention and Control.**

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2011 as prepared on the basis of the information presented by the institutions, organisations and bodies of the EU, in accordance with Article 129 (2) of the Financial Regulation applicable to the EU's General Budget, including the European Centre for Disease Prevention and Control.

In 2011, the tasks and budget of this agency were as follows:

- **description of the Centre's tasks**: the European Centre for Disease Prevention and Control, which is located in Stockholm, was set up by Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 and its main tasks are to collect and disseminate data on the prevention and control of human diseases and to provide scientific opinions on this subject. It is also required to coordinate the European network of bodies operating in this field;
- **the Centre's budget for the 2011 financial year**: the Centre’s budget for 2011, as presented in the Commission document on the consolidated annual accounts of the European Union, gives the following figures:
  - forecasted income budget: EUR 57 million;
  - entitlements established: EUR 57 million;
  - amounts received:EUR 57 million;
  - outstanding: EUR 0 million.

The complete version of the Centre's final accounts may be found at the following address:

http://ecdc.europa.eu/en/aboutus/key_documents/Pages/key_documents.aspx

# 2011 discharge: European Centre for Disease Prevention and Control (ECDC)

2012/2195(DEC) - 11/09/2012 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors’ report on the annual accounts of the European Centre for Disease Prevention and Control for the financial year 2011, together with the Centre's replies.

CONTENT: in accordance with the tasks conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, the Court presents to the European Parliament and to the Council, in the context of the discharge procedure, a Statement of Assurance as to the reliability of the

annual accounts of each institution, body or agency of the EU, and the legality and regularity of the transactions underlying them, on the basis of an independent external audit.

This audit concerned, amongst others, the annual accounts of the European Centre for Disease Prevention and Control (ECDC).

In the Court's opinion, the **Centre's Annual Accounts fairly present, in all material respects, its financial position as of 31 December 2011** and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation.

It considers that the **transactions underlying the annual accounts** of the Centre for the financial year ended 31 December 2011 are, in all material respects, **partially legal and regular**.

The basis for this **qualified opinion** on the legality and the regularity of the transactions underlying the accounts concerns the conclusion of a framework contract in 2009 for a maximum amount of EUR 9 million, allowing it to sign specific contracts with selected suppliers up to this amount. Under this framework contract, the Centre signed specific contracts with original values amounting to EUR 8.4 million. Subsequent amendments increased these contracts' values to EUR 14.9 million. By the end of 2011 payments made totalled EUR 12.2 million, of which EUR 3.2 million in 2011. According to the Court, **commitments and payments above the EUR 9 million ceiling set in the framework contract are irregular**.

The report confirms that the Centre's 2011 budget amounted to EUR 56.6 million and that the number of staff employed at the end of the year was 265.

The report also makes a series of observations on the budgetary and financial management of the Centre, accompanied by the latter's response. The main observations may be summarised as follows:

**Court's comments**:

- carry-overs: as in the previous year, a high level of carryover is reported for 2011. This high level of carryover, coupled with a low level of accrued expenditure (EUR 5.4 million), is at odds with the budgetary principle of annuality;
- irregular framework contract: as described above, irregularities in the management of one framework contract, leading to a **qualified opinion on the legality and the regularity of the transactions underlying the accounts**. The Court found additional cases in which the Centre's controls did not prevent **poor management of contracts**: in one case, under a multiple framework contract, a specific contract was amended by the Centre in 2010 and again in 2011. The amendments were covered by the conditions of the framework contract, but did not comply with the Centre's Implementing Rules to its Financial Regulation. The amendments related to the contract's duration and increases in both the services and contract amounts. Payments in excess of the original contract value amounted to EUR 200 000; for another framework contract concluded for a maximum amount of EUR 1.7 million, the four specific contracts signed in 2011 implementing it made no reference to the volume or value of services to be supplied;
- recruitment: as in the previous year, the Court identified weaknesses regarding staff recruitment procedures.

**Centre's replies**:

- as regards carry-overs, the Centre successfully reduced the carry-over of its operational expenditure in 2011 by 10 % compared to 2010, representing a second successive year of improvement;
- on the framework contract, the Centre became aware of this case in September 2011 and brought it to the attention of the Court of Auditors during their audit in October 2011. The Centre exercised full transparency on this matter with the Court of Auditors. Following the discussions at that time, the Centre had put all necessary measures in place: immediate launch of a new tender procedure to establish a new Framework Contract (FWC) and a recording of the case in the register of exceptions. In December 2011, the Centre communicated detailed information to the Court related to the contract volumes that would still be signed under the current FWC in order to insure its business continuity, a schedule with the timeline for the new FWC and the measures put in place to avoid this in the future like managing the new FWC by one Authorising Officer and its consumption by one Resource Officer. Other measures, which are currently under pursuit, are the creation of a separate ICT Unit, the implementation of a contract management tool, to provide external training to staff to become internal trainers to the Centre and the revision of the internal procedure on procurement. **The Centre emphasises that no funds were lost and no parties have been disadvantaged**. The Centre is reviewing its internal procedures in relation to procurement and is currently assessing which contract management application most suits its needs in order to strengthen the Centre's management of contracts;
- on recruitment, the Centre notes the Court's comment, which largely relates to practices ECDC has already changed in the course of 2011 and with the introduction of the revised Internal Procedure on recruitment in January 2012. Since mid 2011 it is practice that the Selection Committee agrees on written tests and interview questions before receiving applications.

Lastly, the Court of Auditors' report contains a summary of the **Centre's activities in 2011**. This is focused on the following:

- threats monitored using the threat tracking tool (TTT) and weekly threat reports on communicable diseases;
- provision of support to epidemic intelligence for large mass-gathering events;
- simulation exercises for testing and improving preparedness and response to communicable diseases;
- implementation of European Programmes for Intervention Epidemiology Training (EPIET) and European Public Health Microbiology Training (EUPHEM);
- publication of 122 scientific publications;
- the fourth European Antibiotic Awareness Day organised, with the participation of 37 countries.

# 2011 discharge: European Centre for Disease Prevention and Control (ECDC)

2012/2195(DEC) - 01/02/2013

Having examined the revenue and expenditure accounts for the financial year 2011 and the balance sheet at 31 December 2011 of the European Centre for Disease Prevention and Control, as well as the Court of Auditors' report on the annual accounts of the Centre for the financial year 2011, accompanied by the Centre's replies to the Court's observations, the Council recommends the European Parliament to give a discharge to the Director of the Centre in respect of the implementation of the budget for the financial year 2011.

The observations in the Court of Auditors' report in relation to the financial year 2011 call for some comments by the Council, which may be summarised as follows:

- the Council welcomes the Court's opinion that, in all material respects, the Centre's annual accounts present fairly its financial position as at 31 December 2011 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of the Centre's Financial Regulation, and that the **underlying transactions for that financial year are legal and regular with the exception of the matter described below**;
- the Council regrets the Court's qualified opinion regarding the irregularities detected in the management of one framework contract, leading to payments above the threshold set in the framework contract;
- moreover, the Council notes with concern the **weaknesses identified by the Court in the management of several contracts**, including the non-compliance with the Centre's Implementing Rules to its Financial Regulation, the lack of a clear link between the technical specifications, the award criteria and the pricing structure, as well as the **ineligibility of expenditure for activities carried out before the signature of the grant agreement**;
- as last year, the Council notes that the level of carry-overs still remains high. It urges the Centre to intensify its efforts to improve its planning and implementation of the budget and to pursue its efforts to address the shortcomings detected by the Court in its staff recruitment procedures.

# 2011 discharge: European Centre for Disease Prevention and Control (ECDC)

2012/2195(DEC) - 21/03/2013 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Gerben-Jan GERBRANDY (ADLE, NL) on discharge to be granted to the Director of the European Centre for Disease Prevention and Control (ECDC) in respect of the implementation of the Centre’s budget for the financial year 2011.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Centre for the financial year 2011 are reliable but has **delivered a qualified opinion on the legality and the regularity of the transactions underlying the Centre’s accounts**, Members approve the closure of the Centre’s accounts. However, they make a number of recommendations that need 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:

**Financing, budget and financial management**: the Centre's budget for the year 2011 was EUR 56 656 000, which represents a decrease of 2% compared to 2010.

**Implementation rate of appropriations and carryovers**: Members acknowledge, from the 2011 annual accounts that the budget execution at the end of 2011 increased slightly and reached 96%. The budget execution, in terms of payments, reached 76%. They note that out of the total budget for 2011, 20% was carried over to 2012. They call on the Centre to inform the discharge authority of the actions taken to address this deficiency as this high level of carryover.

**Qualified opinion of the Court of Auditors**: Members deplore the fact that the Court of Auditors qualified its opinion with regard to irregularities in the management of one framework contract concluded in 2009 due to fact that the Centre subsequently amended the contract, which led to **payments above the set ceiling which were considered irregular** and their amount exceeded the materiality threshold. They note that the Centre consulted the Court of Auditors on further action once it discovered the irregularity and took steps to rectify the situation by centralising all ICT services, as well as taking further steps to prevent possible irregularities in the future.

Lastly, Members made a series of observations as regards the Centre’s procurement and recruitment procedures, accounting system, grants and internal audits.

# 2011 discharge: European Centre for Disease Prevention and Control (ECDC)

2012/2195(DEC) - 17/04/2013 - Text adopted by Parliament, single reading

The European Parliament adopted a decision on discharge to be granted to the Director of the European Centre for Disease Prevention and Control (ECDC) in respect of the implementation of the Centre’s budget for the financial year 2011. The vote on the decision to grant discharge covers the closure of the accounts (in accordance with Annex VI, Article 5(1) of the European Parliament’s Rules of Procedure).

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Centre for the financial year 2011 are reliable and that it has **delivered a qualified opinion on the legality and the regularity of the transactions underlying the Centre’s accounts**,

Parliament approved the closure of the accounts. It has adopted a resolution containing a number of recommendations that need 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:

- **Financing, budget and financial management**: Parliament recalls that the Centre's budget for the year 2011 was EUR 56 656 000, which represents a decrease of 2% compared to 2010.
- **Implementation rate of appropriations and carryovers**: it acknowledges that the budget execution at the end of 2011 increased slightly and reached 96%. The budget execution, in terms of payments, reached 76%. It notes that out of the total budget for 2011, 20% was carried over to 2012. It calls on the Centre to inform the discharge authority of the actions taken to address this deficiency as this high level of carryover.
- **Recruitment procedures**: Members note that the total number of temporary agents in place at the Centre as of 31 December 2011 was 177, out of 200 posts provided for in the Establishment Table 2011. It calls for the simplification of the Staff Regulations.
- **Qualified opinion of the Court of Auditors**: Parliament deplores the fact that the Court of Auditors qualified its opinion with regard to irregularities in the management of one framework contract concluded in 2009 due to fact that the Centre subsequently amended the contract, which led to **payments above the set ceiling which were considered irregular** and their amount exceeded the materiality threshold. It notes that the Centre consulted the Court of Auditors on further action once it discovered the irregularity and took steps to rectify the situation.

Lastly, Parliament made a series of observations as regards the Centre’s procurement procedures, accounting system, grants and internal audits.

# 2011 discharge: European Centre for Disease Prevention and Control (ECDC)

2012/2195(DEC) - 17/04/2013 - Final act

PURPOSE: to grant discharge to the European Centre for Disease Prevention and Control (ECDC) for the financial year 2011.

NON-LEGISLATIVE ACT: Decision 2013/568/EU of the European Parliament on discharge in respect of the implementation of the budget of the European Centre for Disease Prevention and Control (ECDC) for the financial year 2011.

CONTENT: with the present decision, and in accordance with Article 319 of the Treaty on the Functioning of the European Union (TFEU), the European Parliament grants discharge to the Director of the Centre in respect of the implementation of its budget for the financial year 2011.

This decision is in line with the European Parliament's resolution adopted on 17 April 2013 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 17 April 2013).

A parallel decision, 2013/569/EU, adopted on the same day, approves the closure of the Centre's accounts for the 2011 financial year.