Basic information

2016/2175(DEC) DEC - Discharge procedure	Procedure completed
2015 discharge: European Centre for Disease Prevention and Control (ECDC) **Subject** 8.70.03.05 2015 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	AYALA SENDER Inés (S&D)	05/08/2016
	Shadow rapporteur ZDECHOVSKÝ Tomáš (PPE) FITTO Raffaele (ECR) ALI Nedzhmi (ALDE) DE JONG Dennis (GUE/NGL) JÁVOR Benedek (Verts/ALE) VALLI Marco (EFDD) KAPPEL Barbara (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
ENVI Environment, Public Health and Food Safety	LA VIA Giovanni (PPE)	31/08/2016

European Commission

Commission DG	Commissioner
Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
		COM(2016)0475	Summary

11/07/2016	Non-legislative basic document published		
04/10/2016	Committee referral announced in Parliament		
22/03/2017	Vote in committee		
28/03/2017	Committee report tabled for plenary	A8-0082/2017	Summary
26/04/2017	Debate in Parliament		
27/04/2017	Decision by Parliament	T8-0164/2017	Summary
27/04/2017	Results of vote in Parliament		
27/04/2017	End of procedure in Parliament		
29/09/2017	Final act published in Official Journal		

Technical information

Procedure reference	2016/2175(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/07479

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE593.886	30/01/2017	
Committee opinion	ENVI	PE592.295	31/01/2017	
Amendments tabled in committee		PE599.881	06/03/2017	
Committee report tabled for plenary, single reading		A8-0082/2017	28/03/2017	Summary
Text adopted by Parliament, single reading		T8-0164/2017	27/04/2017	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05873/2017	07/02/2017	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2016)0475	11/07/2016	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0116/2016 OJ C 449 01.12.2016, p. 0077	13/09/2016	Summary

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act	
Budget 2017/1657 OJ L 252 29.09.2017, p. 0204	Summary

2015 discharge: European Centre for Disease Prevention and Control (ECDC)

2016/2175(DEC) - 13/09/2016 - 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 (ECDC) for the year 2015, together with the Centre's reply.

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 ECDC. The Centre's 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.

Statement of assurance: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the Centre, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2015, and
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Court's opinion, the Centre's annual accounts present fairly, in all material respects, its financial position as at 31 December 2015 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer.

Opinion on the legality and regularity of the transactions underlying the accounts: in the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2015 are legal and regular in all material respects. However, it did reveal **various weaknesses** affecting the transparency of the audited **procurement procedures**, such as lack of a clear link with the Centre's annual work programme, insufficient substantiation of the estimated contract value or absence of a financial benchmark (threshold) to assess the tenderer's financial capacity.

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:

The Court's observations:

- **budgetary management**: the Court noted that carry-overs of committed appropriations were high for administrative expenditure at EUR 1.6 million mainly due to the procurement of IT hard- and software, as well as for real estate consultancy services for new premises for which payments are only due in 2016. Carry-overs of committed appropriations were high for operational expenditure at EUR 7.5 million due to multiannual projects and IT support for operational activities which were provided and paid as planned.

Centre's replies:

- **budgetary management**: the Centre took note of the Court's comments. As regards **public procurement**, it stated that it has now made clearer the link between the procurement procedures and the annual work programme through the full implementation of a new version of the ECDC procurement monitoring application in 2016. The substantiation of estimated contract values is now requested prior to the launch of any procurement procedure above 25 000 euros. The financial threshold to assess financial capacity was introduced in 2016.

Lastly, the Court of Auditors' report contains a summary of **the Centre's key figures in 2015**:

- **Budget**: EUR 58.5 million.
- **Staff**: 260 including officials, temporary and contract staff and seconded national experts.

2015 discharge: European Centre for Disease Prevention and Control (ECDC)

2016/2175(DEC) - 28/03/2017 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Inés AYALA SENDER (S&D, ES) on discharge in respect of the implementation of the budget of the European Centre for disease Prevention and Control (ECDC) for the financial year 2015.

The committee called on the European Parliament to grant the Executive Director of the Centre discharge in respect of the implementation of the agency's budget for the financial year 2015.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Centre for the financial year 2015 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 2015 was EUR 58 451 950 representing a decrease of 3.36 % compared to 2014.
- **Legality and regularity of transactions**: Members noted that various weaknesses were found affecting the transparency of the Centre's procurement procedures, including a lack of a clear link with the Centre's annual work programme, insufficient substantiation of the estimated contract value or absence of a financial benchmark to assess the tenderer's financial capacity. They acknowledged that prior to the launch of any procurement procedure above EUR 25 000, the Centre now requests a substantiation of estimated contract values.
- **Procurement and recruitment procedures**: the Centre's revised procedure on procurement, contracts and grants is providing an additional quality control mechanism. The Centre was called upon to carry out careful checks on conflicts of interest in relation to tenders, procurement, recruitment and contracts in order to strengthen transparency. The Centre was asked to apply strictly the measures pertaining to discretion and exclusion in public procurement, with proper background checks being carried out in every instance, and to apply the exclusion criteria so as to debar companies in the event of any conflict of interest.

Members also made a series of observations regarding commitments and the budgetary and financial management, commitments and carry-overs, the prevention and management of conflicts of interests and internal audits and controls.

Members stressed that the **Ebola epidemic** provided a test case for the Union's preparedness arrangements and legal framework and that the Health Security Committee met regularly to discuss appropriate measures based on rapid risk assessments and guidance from the Centre. They recalled that the Decision No 1082/2013/EU of the European Parliament and of the Council provides the framework to address, coordinate and manage serious cross-border health threats in cooperation with Member States, the World Health Organisation (WHO), the Centre and other international partners.

They also noted that in 2015, there were 88 notifications, which resulted in 280 messages and information exchanges, and **37 different events were addressed**, for example, the Ebola epidemic, the influx of refugees, the Middle East respiratory syndrome coronavirus (MERS-CoV), poliomyelitis, the shortage of medical countermeasures, the Zika virus, and the explosion of a chemical factory in China.

2015 discharge: European Centre for Disease Prevention and Control (ECDC)

2016/2175(DEC) - 07/02/2017 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2015 and the balance sheet as at 31 December 2015 of the European Centre for Disease Prevention and Control (ECDC), as well as the Court of Auditors' report on the annual accounts of the Centre for the financial year 2015, accompanied by the Centre's replies to the Court's observations, the Council recommended 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 2015.

The Council welcomed the Court's opinion that, in all material respects, the Centre's annual accounts present fairly its financial position as at 31 December 2015 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 2015 are legal and regular in all material respects.

Nevertheless, it made the following observations:

- **public procurement**: the Council regretted that the Court found weaknesses affecting the transparency of the Centre's procurement procedures. It invited the Centre to improve its procurement procedures accordingly and welcomed the measures already implemented in 2016;
- **financial programming**: the Council noted that a high level of commitment appropriations was carried over to 2016. It encouraged the Centre to continue improving its financial programming and monitoring of the budget implementation, in order to reduce the level of commitments carried over to the following financial year to the minimum strictly necessary.

2015 discharge: European Centre for Disease Prevention and Control (ECDC)

2016/2175(DEC) - 11/07/2016 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2015, as part of the 2015 discharge procedure.

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

CONTENT: the organisational governance of the EU consists of institutions, agencies and other EU bodies whose expenditure is included in the general budget of the Union.

The EU's operational expenditure of these institutions takes different forms, depending on how the money is paid out and managed.

From 2014 onwards, the Commission classifies its expenditure as follows:

- **Direct management**: the budget is implemented directly by the Commission services.
- **Indirect management**: the Commission confers tasks of implementation of the budget to bodies of EU law or national law, **such as the EU agencies**.
- **Shared management**: under this method of budget implementation tasks are delegated to Member States. About 80 % of the expenditure falls under this management mode covering such areas as agricultural spending and structural actions.

This Commission document concerns the EU's consolidated accounts for the year 2015 and details how spending by the EU institutions and bodies was carried out. The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective.

It is the responsibility of the Commission's Accounting Officer to prepare the EU's consolidated annual accounts and ensure that they present fairly, in all material aspects, the financial position, the result of the operations and the cash flows of the EU institutions and bodies, including the European Centre for Disease Prevention and Control (ECDC), with a view to granting discharge.

Discharge procedure: the final step of a budget lifecycle is the discharge of the budget for a given financial year. It represents the political aspect of the external control of budget implementation and is the decision by which the European Parliament, acting on a Council recommendation, "releases" the Commission (and other EU bodies) from its responsibility for management of a given budget by marking the end of that budget's existence. The European Parliament is the discharge authority within the EU.

The discharge procedure may produce three outcomes: (i) the granting; (ii) postponement or; (iii) the refusal of the discharge.

The final discharge report including specific recommendations to the Commission for action is adopted in plenary by the European Parliament and are subject to an annual follow up report in which the Commission outlines the concrete actions it has taken to implement the recommendations made.

Each agency is subject to its own discharge procedure, including the ECDC.

The European Centre for Disease Prevention and Control: the Centre, which is located in Stockholm (SE), was set up by Regulation (EC) No 851/2004 of the European Parliament and of the Council. Its main tasks are to collect and disseminate data on the prevention and control of human diseases and provide scientific opinions on this subject.

As regards the Centre’s accounts, these are presented in detail in the document on the consolidated annual accounts of the European Union for 2015:

Commitment appropriations:

- **committed**: EUR 60 million;
- **paid**: EUR 56 million;
- **carried-over**: 0.

Payment appropriations:

- **committed**: EUR 71 million;

- **paid**: EUR 55 million;
- **carried-over**: EUR 11 million.

For further details on expenditure, please refer to the final accounts of the ECDC.

2015 discharge: European Centre for Disease Prevention and Control (ECDC)

2016/2175(DEC) - 27/04/2017 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Executive Director of the European Centre for disease Prevention and Control (ECDC) in respect of the implementation of its budget for the financial year 2015.

The vote on the decision on discharge covers the closure of the accounts (in accordance with Annex IV, Article 5 (1) (a) to Parliament's Rules of Procedure).

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the Centre's annual accounts for the financial year 2015 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 520 votes to 103 with 5 abstentions, a resolution containing a series of recommendations, which form an integral part of the decision on discharge and which add to the general recommendations set out in the resolution on performance, financial management and control of EU agencies.

These recommendations may be summarised as follows:

- **Centre's financial statements**: the final budget of the Centre for the financial year 2015 was EUR 58 451 950 representing a decrease of 3.36 % compared to 2014.
- **Legality and regularity of transactions**: Parliament noted that various weaknesses were found affecting the transparency of the Centre's procurement procedures, including a lack of a clear link with the Centre's annual work programme, insufficient substantiation of the estimated contract value or absence of a financial benchmark to assess the tenderer's financial capacity. It acknowledged that prior to the launch of any procurement procedure above EUR 25 000, the Centre now requests a substantiation of estimated contract values.
- **Procurement and recruitment procedures**: the Centre's revised procedure on procurement, contracts and grants is providing an additional quality control mechanism. The Centre was called upon to carry out careful checks on conflicts of interest in relation to tenders, procurement, recruitment and contracts in order to strengthen transparency. The Centre was asked to apply strictly the measures pertaining to discretion and exclusion in public procurement, with proper background checks being carried out in every instance, and to apply the exclusion criteria so as to debar companies in the event of any conflict of interest.

Parliament also made a series of observations regarding commitments and the budgetary and financial management, commitments and carry-overs, the prevention and management of conflicts of interests and internal audits and controls.

Ebola and other epidemics: Parliament stressed that the **Ebola epidemic** provided a test case for the Union's preparedness arrangements and legal framework and that the Health Security Committee met regularly to discuss appropriate measures based on rapid risk assessments and guidance from the Centre. It recalled that the Decision No 1082/2013/EU of the European Parliament and of the Council provides the framework to address, coordinate and manage serious cross-border health threats in cooperation with Member States, the World Health Organisation (WHO), the Centre and other international partners.

It also noted that in 2015, there were 88 notifications, which resulted in 280 messages and information exchanges, and **37 different events were addressed**, for example, the Ebola epidemic, the influx of refugees, the Middle East respiratory syndrome coronavirus (MERS-CoV), poliomyelitis, the shortage of medical countermeasures, the Zika virus, and the explosion of a chemical factory in China.

Communication: Parliament noted that the Centre's target of 10 % more web visitors in 2015 was not reached, mainly due to an unprecedented increase of web visitors in 2014 during the Ebola crisis. It underlined that the Centre should continue promoting dialogue with stakeholders and citizens and incorporate it as part of the priorities and activities to be implemented.

2015 discharge: European Centre for Disease Prevention and Control (ECDC)

2016/2175(DEC) - 27/04/2017 - Final act

PURPOSE: to grant discharge to the European Centre for Disease Prevention and Control (ECDC) for the financial year 2015.

NON-LEGISLATIVE ACT: Decision (EU) 2017/1657 of the European Parliament on discharge in respect of the implementation of the budget of the European Centre for Disease Prevention and Control for the financial year 2015.

CONTENT: with the present decision, the European Parliament grants discharge to the Director of the European Centre for Disease Prevention and Control for the implementation of the latter's budget for the financial year 2015.

This decision is in line with the European Parliament's resolution adopted on 27 April 2017 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 27 April 2017).

Amongst Parliament’s main observations in the resolution accompanying the discharge decision, it acknowledged the fact that the Centre further revised its independence policy and has created an internal procedure for the implementation of that policy. The updated policy was endorsed by the Centre's management board in June 2016 which requires all staff to submit a declaration of interests before taking up duty.

Parliament also noted that various weaknesses were found affecting the transparency of the Centre's procurement procedures, including a lack of a clear link with the Centre's annual work programme, insufficient substantiation of the estimated contract value or absence of a financial benchmark to assess the tenderer's financial capacity. The Centre implemented a new version of its procurement monitoring application in 2016 which makes a clear link between the procurement procedures and the annual work programme.

In addition, Parliament noted that the Centre has taken specific initiatives in order to increase transparency relating to its contacts with lobbyists, and that an internal procedure on meetings with the pharmaceutical sector is under preparation.

As regards the issue of Ebola, the Centre established two annual internal evaluations since 2015 on its deployment for Ebola in West Africa.