Basic information

2017/2160(DEC) DEC - Discharge procedure	Procedure completed
2016 discharge: European Centre for Disease Prevention and Control (ECDC) **Subject** 8.70.03.06 2016 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	STAES Bart (Verts/ALE)	14/09/2017
	Shadow rapporteur SARVAMAA Petri (PPE) LIBERADZKI Bogusław (S&D) FITTO Raffaele (ECR) ALI Nedzhmi (ALDE) DE JONG Dennis (GUE/NGL) VALLI Marco (EFDD) KAPPEL Barbara (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
ENVI Environment, Public Health and Food Safety	VĂLEAN Adina (PPE)	31/08/2017

European Commission

Commission DG	Commissioner
Budget	OETTINGER Günther

Key events

Date	Event	Reference	Summary
26/06/2017	Non-legislative basic document published	COM(2017)0365	Summary

13/09/2017	Committee referral announced in Parliament		
20/03/2018	Vote in committee		
23/03/2018	Committee report tabled for plenary	A8-0085/2018	Summary
18/04/2018	Decision by Parliament	T8-0142/2018	Summary
18/04/2018	Results of vote in Parliament		
18/04/2018	Debate in Parliament		
18/04/2018	End of procedure in Parliament		
03/10/2018	Final act published in Official Journal		

Technical information

Procedure reference	2017/2160(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/10800

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	ENVI	PE612.234	25/01/2018	
Committee draft report		PE613.470	25/01/2018	
Amendments tabled in committee		PE618.243	02/03/2018	
Committee report tabled for plenary, single reading		A8-0085/2018	23/03/2018	Summary
Text adopted by Parliament, single reading		T8-0142/2018	18/04/2018	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05941/2018	09/02/2018	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2017)0365	26/06/2017	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary

CofA	Court of Auditors: opinion, report	N8-0020/2018 OJ C 417 06.12.2017, p. 0092	19/09/2017	Summary

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

Final act	
Budget 2018/1364 OJ L 248 03.10.2018, p. 0209	Summary

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

2017/2160(DEC) - 26/06/2017 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2016, as part of the 2016 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.

This Commission document concerns the EU's consolidated accounts for the year 2016 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 2016:

Commitment appropriations:

- available: EUR 59 million;
- made: EUR 58 million.

Payment appropriations:

- available: EUR 69 million;
- made: EUR 56 million.

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

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

2017/2160(DEC) - 03/10/2018 - Final act

PURPOSE: to grant discharge to the European Centre for Disease Prevention and Control (ECDC) for the financial year 2016.

NON-LEGISLATIVE ACT: Decision (EU) 2018/1364 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 2016.

CONTENT: the European Parliament decided to **grant 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 2016.

This decision is accompanied by a resolution of the European Parliament containing the observations which form an integral part of the discharge decision in respect of the implementation of the general budget of the European Union for the financial year 2016 (*please refer to the summary dated 18.4.2018*).

In this resolution, Parliament 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.

Parliament noted that in spring of 2016, the Centre forwarded a new building project proposal to the Parliament and Council which received a favourable opinion from both institutions.

It welcomed the support the Centre provided during the sudden outbreak of the Zika virus, noting, though, that there are lessons to be learned from the reaction to that outbreak. It also welcomed the support provided during the large multi-country outbreak of Salmonella and noted that the Centre improved its disease surveillance system.

Lastly, Parliament congratulated the Centre on receiving the European Health Award 2016 for its European Antibiotic Awareness Day which aims to provide a platform to support national campaigns on the prudent use of antibiotics, and was recognised as being an outstanding project for the promotion of health in Europe.

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

2017/2160(DEC) - 18/04/2018 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Director of the European Centre for Disease Prevention and Control (ECDC) in regard to the implementation of the centre's budget for the 2016 financial year and to approve the closure of the accounts for the financial year in question.

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the centre's annual accounts for the financial year 2016 are reliable and that the underlying transactions are **legal and regular**, Parliament adopted by 566 votes to 122 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:

- **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 appreciate the fact that the centre adopted implementing rules on the policy on protecting dignity of the person and preventing **harassment** and that it adopted an internal procedure on whistleblowing.

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.

Lastly, Parliament welcomed the centre's involvement in the global response to the **Zika virus** outbreak by providing regular risk assessments and teaming up with the World Health Organisation and United States Centres for Disease Prevention and Control on Zika virus travel advice.

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

2017/2160(DEC) - 23/03/2018 - Committee report tabled for plenary, single reading

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.

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

2017/2160(DEC) - 19/09/2017 - 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 2016, 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 2016, 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 2016 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 2016 are legal and regular in all material respects. However, while acknowledging the Centre's ongoing efforts to strengthen its internal procurement controls, there are still **significant weaknesses** in the **procurement process**. The IAS concluded that the planning and the monitoring of procurements are weak and that procurements are not always covered by the Annual Work Programme or financing decision.

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 as in previous years carry-overs of committed appropriations were high for operating expenditure at EUR 7.9 million. The carry-overs mainly relate to multiannual projects in the areas of scientific advice, surveillance, public health training and public health IT. The Centre may consider introducing differentiated budget appropriations to better reflect the multi annual nature of operations and unavoidable delays between the signature of contracts, deliveries and payments.

Centre's replies:

- **budgetary management**: the Centre noted that a standardized procedure has been put in place for internal approval of new procurements. It is also following up on the general recommendations of the IAS by reviewing its internal procedures and guidance materials. The Centre will carefully analyse the advantages/disadvantages of introducing differentiated budget appropriations, including the risks of added complexity and additional resources needed.

Lastly, the Court of Auditors' report contains a summary of **the Centre's key figures in 2016**:

- **Budget**: EUR 58.2 million.
- **Staff**: 260 including officials, temporary and contract staff and seconded national experts.

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

2017/2160(DEC) - 09/02/2018 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2016 and the balance sheet as at 31 December 2016 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 2016, 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 2016.

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 2016 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 2016 are legal and regular in all material respects.

The Centre was called on to:

- fully comply with the Staff Regulations concerning the duration of the posting of the **Director ad interim**;
- implement the agreed measures to address weaknesses in the planning and monitoring of **procurements** and the alignment of the Centre's procurements with the Annual Work Programme and financing decisions and to examine further steps that may be required to adapt its internal procedures;
- consider the Court's suggestion to use **differentiated appropriations** to address the high level of commitments carried over and to continue monitoring its budget implementation in order to reduce the level of commitments carried over to the following financial year to the minimum strictly necessary.