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REPORT

on the discharge for the implementation of the budget of the European Centre
for Disease Prevention and Control for the financial year 2005
(C6-0400/2006 – 2006/2167(DEC))

Committee on Budgetary Control

Rapporteur: Edit Herczog

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1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on the discharge for the implementation of the budget of the European Centre for Disease Prevention and Control for the financial year 2005 (C6-0400/2006 – 2006/2167(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2005¹,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2005, together with the Centre's replies²,
 - having regard to the Council's recommendation of 27 February 2007 (5711/2007 - C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities³, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European Centre for Disease Prevention and Control⁴, and in particular Article 23 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002⁵, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee for Environment, Public Health and Food Safety (A6-0119/2007),
1. Grants the executive director of the European Centre for Disease Prevention and Control discharge for the implementation of the Centre's budget for the financial year 2005;

¹ OJ C 266, 31.10.2006, p. 31.

² OJ C 312, 19.12.2006, p. 54.

³ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁴ OJ L OJ L 142, 30.4.2004, p. 1.

⁵ OJ L 357, 31.12.2002, p. 72.

2. Sets out its observations in the resolution below;
3. Instructs its President to forward this decision and the resolution that forms an integral part of it to the executive director of European Centre for Disease Prevention and Control, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the Official Journal of the European Union (L series).

2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on closing the accounts of the European Centre for Disease Prevention and Control for the financial year 2005 (C6-0400/2006 – 2006/2167(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2005¹,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2005, together with the Centre's replies²,
 - having regard to the Council's recommendation of 27 February 2007 (5711/2007 - C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities³, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European Centre for Disease Prevention and Control⁴, and in particular Article 23 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002⁵, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee for Environment, Public Health and Food Safety (A6-0119/2007),
1. Notes that the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2005 are as follows:

¹ OJ C 266, 31.10.2006, p. 31.

² OJ C 312, 19.12.2006, p. 54.

³ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁴ OJ L OJ L 142, 30.4.2004, p. 1.

⁵ OJ L 357, 31.12.2002, p. 72.

Revenue and expenditure account for the financial year 2005 (in EUR 1000)
Only figures for 2005 due to the fact it is a newly created Agency.

	2005
REVENUE	
Commission subsidy (for the operating budget of the agency)	3 402 280,45
Fee income	
Other revenue	
TOTAL REVENUE (a)	3 402 280,45
EXPENDITURE	
<i>Title I: Staff</i>	
Payments	-500 909,02
Appropriations carried over	-361 771,74
<i>Title II: Administrative Expenses</i>	
Payments	-597 024,15
Appropriations carried over	-534 581,62
<i>Title III: Operating Expenditure</i>	
Payments	-69 773,55
Appropriations carried over	-540 654,36
TOTAL EXPENDITURE (b)	-2 604 714,44
OUTTURN FOR THE FINANCIAL YEAR (a-b)	797 566,01
Cancellation of unused payment appropriations carried over from previous year	
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	
Exchange differences for the year (gain +/loss -)	-10 168,55
Balance of the budget implementation for the financial year	787 397,46
Part of the subsidy to reimburse to E.C.	-787 397,46
Impact on Assets	
Impact of assets & depreciation	222 011,07
Impact on the Accruals of the year	
Carry Overs	1 437 007,72
Accruals	-363 538,58
Other adjustments	
Pending liabilities	-448 377,86
Prepayments & Deferred expenses	20 636,80
Goods in transit	63 108,90
Payment of services by the commission	-8 490,00
Exceptional revenue	31 250,85

Outturn of the economic adjustments for the financial year (e)	953 608,90
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NB - Variations in totals are due to the effects of rounding.

Source Agency data - This table summarises the data supplied by the Agency in its annual accounts

2. Approves closing the accounts of the European Centre for Disease Prevention and Control for the financial year 2005;
3. Instructs its President to forward this decision to the executive director of the European Centre for Disease Prevention and Control, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the Official Journal of the European Union (L series).

3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

with observations forming an integral part of the decision on the discharge for the implementation of the budget of the European Centre for Disease Prevention and Control for the financial year 2005 (C6-0400/2006 – 2006/2167(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2005¹,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2005, together with the Centre's replies²,
 - having regard to the Council's recommendation of 27 February 2007 (5711/2007 - C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities³, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European Centre for Disease Prevention and Control⁴, and in particular Article 23 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002⁵, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee for Environment, Public Health and Food Safety (A6-0119/2007),
- A. whereas the Court of Auditors stated, that it obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2005 were reliable and that the underlying transactions, taken as a whole, were legal and regular,

¹ OJ C 266, 31.10.2006, p. 31.

² OJ C 312, 19.12.2006, p. 54.

³ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁴ OJ L OJ L 142, 30.4.2004, p. 1.

⁵ OJ L 357, 31.12.2002, p. 72.

General points concerning the majority of EU Agencies requiring individual discharge

1. Considers that the ever-growing number of Community Agencies and the activities of certain of them do not seem to form part of an overall policy framework, and that the remits of some Agencies do not always reflect the real needs of the Union or the expectations of its citizens, and notes that in general terms the Agencies do not always have a good image or a good press;
2. Invites the Commission therefore to define an overall policy framework for the setting up of new Community Agencies and to present a cost-benefit study before the setting up of any new agency, while being careful to avoid any overlap of activities between Agencies or with the remits of other European organisations;
3. Calls on the Court of Auditors to give its opinion on the cost-benefit study before Parliament takes its decision;
4. Invites the Commission to present every five years a study on the added value of every existing Agency; invites all relevant institutions in the case of a negative evaluation of the added value of an Agency to take the necessary steps by reformulating the mandate of that Agency or by closing it;
5. Considers it regrettable, given the growing number of regulatory agencies, that the negotiations on the draft interinstitutional agreement on the operating framework for the European regulatory agencies have not yet been concluded, and calls on the relevant departments of the Commission, in consultation with the Court of Auditors, to do their utmost to ensure that the agreement is brought to a rapid conclusion;
6. Notes that the Commission's budgetary responsibility calls for closer linking of the Agencies to the Commission; calls on the Commission and the Council to take all necessary steps to give the Commission a blocking minority in the supervisory bodies of the regulatory Agencies by 31 December 2007 and to provide for such a minority from the outset when new Agencies are set up;
7. Invites the Court of Auditors to create an additional chapter in its Annual Report, devoted to all Agencies to be discharged under the Commission's accounts in order to have a much clearer picture of the use of EU funds by Agencies;
8. Recalls the principle according to which all Community Agencies, whether subsidised or not, are subject to discharge by the Parliament, even where a discharge authority exists by virtue of their constitutive texts;
9. Calls on the Court of Auditors to perform performance audits for all Agencies and to report back to the relevant committees of Parliament, including the Committee on Budgetary Control;
10. Notes that the number of Agencies is constantly increasing and that, in accordance with

the Commission's political responsibility for the operation of the Agencies, which goes far beyond mere logistical support, there is an even higher need for the Directorates-General of the Commission charged with the setting up and monitoring of Agencies to develop a common approach to the Agencies; considers that a structure similar to the one created by the Agencies for coordination among the DGs concerned would be a pragmatic way forward towards a common approach by the Commission on all matters relating to the Agencies;

11. Invites the Commission to improve administrative and technical support to the Agencies, taking into account the growing complexity of the Community's administrative rules and technical problems;
12. Notes the lack of a disciplinary body in any of the Community Agencies, and calls on the Commission to take the necessary steps to ensure that such a mechanism is rapidly put in place;
13. Welcomes the considerable improvements in the coordination among the Agencies, which allows them to tackle recurring problems and makes cooperation with the Commission and Parliament more efficient;
14. Takes the view that the establishment by a number of Agencies of a shared support service aimed at making their computerised financial management systems consistent with those of the Commission is a measure that should be taken further and extended;
15. Calls upon the Agencies to improve their cooperation and benchmarking with actors in the field; urges the Commission to adopt any measures it considers necessary to help the Agencies enhance their image and raise the profile of their activities;
16. Calls upon the Commission to come up with a proposal to harmonise the format of the annual reporting by the Agencies to develop performance indicators which would allow a comparison of their efficiency;
17. Invites the Agencies to present at the beginning of every year performance indicators against which they could be measured;
18. Invites all Agencies to increasingly use SMART objectives which should lead to more realistic planning and implementation of goals;
19. Agrees with the Court of Auditors that the Commission also bears responsibility for the (financial) management of the Agencies; therefore, urges the Commission to monitor and where necessary direct and help the management of the different Agencies, especially in relation to the proper application of tender procedures, transparency of recruitment procedures, sound financial management (underspending and overbudgeting) and most importantly the proper application of the rules concerning the internal control framework;
20. Considers that the Agencies' work programmes should express their contributions in operational and measurable terms and that due consideration should be given to the Commission's Internal Control Standards;

Specific Points

21. Notes that the implementation of the budget for the financial year 2005 was marked by a low rate of commitment (84 %) and a substantial rate of carry-overs (35 % overall and almost 90 % for operating expenditure); notes that this situation was in part due to problems inherent in the Centre's start-up period;
22. Notes that the Centre's establishment phase was given a further boost by the global concern over a potential influenza pandemic; congratulates the Centre on its ability to consolidate its position in the field of surveillance of communicable diseases in a very short time;
23. Points out that the Commission (DG SANCO) was responsible for the budgetary management of the Centre in 2005;
24. Notes that no activity-based management has been brought in, despite the Centre's financial regulation making provision for its introduction, on the lines of that applied to the general budget, with a view to improving the monitoring of performance;
25. Insists that requests to the Commission for the payment of subsidies should be justified by a forecast of cash needs¹ and regrets that the Centre had no such system for producing forecasts;
26. Notes that the Centre's financial regulation stipulates that the authorising officer should make a budgetary commitment before entering into a legal commitment in relation to third parties and regrets that no budgetary commitments were made for the Centre's expenditure in 2005 prior to such legal commitments; regrets that for the same period, all the Centre's payments were made by the accounting officer without the authorising officer having issued any payment orders²;
27. Notes that contrary to the provisions of the regulations, the Centre's accounts were not kept in accordance with the double-entry method during 2005, thus creating the risk of errors; insists that this should be rectified as soon as possible;
28. Notes that there were shortcomings in the documentation of the Centre's staff selection procedures (lack of formalisation of decisions on the appointment and composition of selection boards, lack of final report by selection boards on their work); insists on the strict application of its selection procedures.

¹ Article 50 of the Centre's financial regulation.

² Article 66 of the Centre's financial regulation.

1.3.2007

OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY

for the Committee on Budgetary Control

on the discharge for implementation of the budget of the European Centre for Disease
Prevention and Control for the financial year 2005
(C6-0400/2006 - 2006/2167(DEC))

Draftswoman: Jutta Haug

SUGGESTIONS

The Committee on the Environment, Public Health and Food Safety calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Expresses its satisfaction with the successful first months of activity of the European Centre for Disease Prevention and Control, which were also characterised by an effective implementation of the available appropriations;
2. Notes that its establishment phase was given a further boost by the global concern over a potential influenza pandemic; congratulates the Centre on its ability to consolidate its position in the field of surveillance of communicable diseases in a very short time;
3. Points out that the Commission (DG SANCO) was responsible for the budgetary management of the Centre in 2005;
4. On the basis of the data available, is of the opinion that the Director of the European Centre for Disease Prevention and Control can be granted discharge in respect of the implementation of the budget of the ECDC for the financial year 2005.

PROCEDURE

Title	Discharge for implementation of the budget of the European Centre for Disease Prevention and Control for the financial year 2005
Procedure number	2006/2167(DEC)
Committee responsible	CONT
Opinion by Date announced in plenary	ENVI 29.11.2006
Enhanced cooperation – date announced in plenary	
Draftswoman Date appointed	Jutta Haug 14.9.2006
Previous drafts(wo)man	
Discussed in committee	22.1.2007
Date adopted	27.2.2007
Result of final vote	+: 48 -: 1 0: 1
Members present for the final vote	Adamos Adamou, Georgs Andrejevs, Pilar Ayuso, Irena Belohorská, Johannes Blokland, John Bowis, Frieda Brepoels, Martin Callanan, Dorette Corbey, Chris Davies, Avril Doyle, Mojca Drčar Murko, Jill Evans, Anne Ferreira, Karl-Heinz Florenz, Matthias Groote, Françoise Grossetête, Satu Hassi, Jens Holm, Dan Jørgensen, Christa Kläß, Holger Kraemer, Urszula Krupa, Jules Maaten, Linda McAvan, Alexandru-Ioan Morțun, Roberto Musacchio, Riitta Myller, Péter Olajos, Antonia Parvanova, Frédérique Ries, Guido Sacconi, Daciana Octavia Sârbu, Karin Scheele, Carl Schlyter, Richard Seeber, Bogusław Sonik, María Sornosa Martínez, Thomas Ulmer, Anja Weisgerber, Åsa Westlund, Anders Wijkman
Substitute(s) present for the final vote	Kathalijne Maria Buitenweg, Christofer Fjellner, Milan Gaľa, Hélène Goudin, Jutta Haug, Henrik Lax
Substitute(s) under Rule 178(2) present for the final vote	Elisa Ferreira, Catherine Stihler
Comments (available in one language only)	

PROCEDURE

Title	Discharge for the implementation of the budget of the European Centre for Disease Prevention and Control for the financial year 2005		
References	C6-0400/2006 – 2006/2167(DEC)		
Legal basis	Article 276 EC		
Basis in Rules of Procedure	Rule 71 and Annex V		
OJ publication of the agency's final annual accounts	OJ C 266, 31.10.2006		
OJ publication of the Court of Auditors' annual report	OJ C 312, 19.12.2006		
Council recommendation Date forwarded	5711/2007 - C6-0080/2007 27.2.2007		
Committee responsible Date of referral	CONT 29.11.2006		
Committees asked for opinions Date of referral	ENVI 29.11.2006		
Rapporteur(s) Date appointed	Edit Herczog 20.4.2006		
Discussed in committee	28.2.2007	26.3.2007	
Date adopted	26.3.2007		
Result of vote:			
Proposal for decision on discharge	for: 20	against: 1	abstentions: 1
Proposal for a decision on the closure of the accounts	for: 20	against: 1	abstentions: 1
Motion for a resolution with comments	for: 19	against 1	abstentions: 1
Members present for the final vote	Jean-Pierre Audy, Herbert Bösch, Paulo Casaca, Szabolcs Fazakas, Christofer Fjellner, Ingeborg Gräßle, Dan Jørgensen, Bogusław Liberadzki, Nils Lundgren, Marusya Ivanova Lyubcheva, Hans-Peter Martin, Edith Mastenbroek, Francesco Musotto, Ovidiu Ioan Silaghi, Bart Staes		
Substitutes present for the final vote	Salvador Garriga Polledo, Edit Herczog, Véronique Mathieu, Bill Newton Dunn, Petre Popeangă, Paul Rübig, Margarita Starkevičiūtė, Ralf Walter		
Substitutes under Rule 178(2) present for the final vote			
Date tabled	2.4.2007		
Comments (available in one language only)			