



Plenary sitting

A8-0103/2016

7.4.2016

REPORT

on discharge in respect of the implementation of the budget of the European
Centre for Disease Prevention and Control for the financial year 2014
(2015/2177(DEC))

Committee on Budgetary Control

Rapporteur: Derek Vaughan

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1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on discharge in respect of the implementation of the budget of the European Centre for Disease Prevention and Control for the financial year 2014
(2015/2177(DEC))**

The European Parliament,

- having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of the European Centre for Disease Prevention and Control for the financial year 2014, together with the Centre's replies¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0075/2016),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³, and in particular Article 208 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 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities⁵,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council⁶, and in particular Article 108 thereof,

¹ OJ C 409, 9.12.2015, p. 122.

² OJ C 409, 9.12.2015, p. 122.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 142, 30.4.2004, p. 1.

⁵ OJ L 357, 31.12.2002, p. 72.

⁶ OJ L 328, 7.12.2013, p. 42.

- having regard to Rule 94 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 on the Environment, Public Health and Food Safety (A8-0103/2016),
1. Grants the Director of the European Centre for Disease Prevention and Control discharge in respect of the implementation of the Centre's budget for the financial year 2014;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the 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 the closure of the accounts of the European Centre for Disease Prevention and Control for the financial year 2014 (2015/2177(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of the European Centre for Disease Prevention and Control for the financial year 2014, together with the Centre's replies¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0075/2016),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³, and in particular Article 208 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 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities⁵,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council⁶,

¹ OJ C 409, 9.12.2015, p. 122.

² OJ C 409, 9.12.2015, p. 122.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 142, 30.4.2004, p. 1.

⁵ OJ L 357, 31.12.2002, p. 72.

⁶ OJ L 328, 7.12.2013, p. 42.

and in particular Article 108 thereof,

- having regard to Rule 94 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 on the Environment, Public Health and Food Safety (A8-0103/2016),
1. Notes that the final annual accounts of the European Centre for Disease Prevention and Control are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of the European Centre for Disease Prevention and Control for the financial year 2014;
 3. Instructs its President to forward this decision to the 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 discharge in respect of the implementation of the budget of the European Centre for Disease Prevention and Control for the financial year 2014 (2015/2177(DEC))

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Centre for Disease Prevention and Control for the financial year 2014,
 - having regard to Rule 94 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 on the Environment, Public Health and Food Safety (A8-0103/2016),
- A. whereas, according to its financial statements, the final budget of the European Centre for Disease Prevention and Control ("the Centre") for the financial year 2014 was EUR 60 486 000, representing an increase of 3,72 % compared to 2013; whereas 97 % of the Centre's budget derives from the Union budget;
- B. whereas the Court of Auditors ("the Court"), in its report on the annual accounts of the European Centre for Disease Prevention and Control for the financial year 2014 ("the Court's report"), has stated that it has obtained reasonable assurances that the Centre's annual accounts for the financial year 2014 are reliable and that the underlying transactions are legal and regular;

Follow-up of 2013 discharge

1. Acknowledges from the Centre that:
 - its ex-post verification strategy is in place and the ex-post audits covering the period 2012-2013 were performed in 2014 using the interinstitutional framework contract for audits;
 - two audits were selected for its grant verification plan and completed in 2014; notes that for one audit a recovery of 2,9 % of the paid expenses was raised and for the other audit no recovery was necessary;

Budget and financial management

2. Notes that the budget monitoring efforts during the financial year 2014 resulted in a high budget implementation rate of 98,77 %, representing an increase of 5,81 % compared to the previous year; has learnt that the payment appropriations execution rate was 80,37 %, representing an increase of 6,23 % compared to the previous year;
3. Acknowledges that, because the raised weighting factor for Sweden between 2010 and 2013 had a total budgetary impact of EUR 5 million on the Centre's 2014 budget, the Centre requested an additional EUR 2 million from the Union budget in order to be able to

cover the increased costs, and that, as a result, an additional EUR 2 million, which came from the Centre's positive 2013 outturn, were exceptionally provided to the Centre in 2014;

Commitments and carry-overs

4. Notes that the level of committed appropriations carried over was 25 % (EUR 1 600 000) for Title II (administrative expenditure) and 49 % (EUR 8 100 000) for Title III (operational expenditure); acknowledges that the carry-overs for Title II mainly related to planned procurement of IT hardware and software in the second half of 2014 for which payment was not due until 2015; acknowledges moreover that the carry-overs for Title III concerned the Centre's multiannual projects, ICT to support operational activities and expert consultation;
5. Acknowledges the improvements in budgetary planning and execution of operational meetings, in particular the use of actual average flight prices instead of ceilings to budget for events and the implementation of prompt post meeting de-commitments; notes that the Centre is to closely monitor the operational meeting expenses in order to avoid unnecessary carry-overs and cancellations by implementing quarterly reviews of the Centre's meeting plan and introducing an approval process to manage changes and additions to meeting plans;
6. Calls on the Centre to continue as far as possible to reduce the level of committed appropriations carried over in the future by means of all available measures, for example by adopting best practice used in other agencies;

Procurement and recruitment procedures

7. Takes note that in 2014, the Centre recruited 16 staff members while 10 left; notes that at year-end the Centre had a total of 182 temporary agents, 92 contract agents and three seconded national experts; acknowledges from the Centre that all Member States, with the exception of Luxembourg and Croatia, are represented among the Centre's staff;
8. Notes that with regard to its procurement procedures, the Centre has put specific focus on ensuring consistency in all tender documents; emphasises that the Centre's revised Committee on Procurement, Contracts and Grants is providing an additional quality control mechanism; calls on the Centre in particular to carry out careful checks on conflicts of interest in relation to tenders, procurement, recruitment and contracts in order to strengthen transparency;
9. Asks the Centre to apply strictly the measures pertaining to discretion and exclusion in respect of public procurement, with proper background checks being carried out in every instance, and to apply the exclusion criteria in order to debar companies in the event of any conflict of interest, this being essential to protect the financial interests of the Union;
10. Takes note that the total number of statutory staff decreased from 287 to 277 in 2014, due to the requested post reduction of 10% in the Establishment Plan until 2018;
11. Notes that the Centre is dedicating 75,5 % of its human resources to operational activities; encourages the Centre to progress further on this path;

Prevention and management of conflict of interests and transparency

12. Welcomes the development, in 2014, of an anti-fraud strategy following the guidelines issued by the European Anti-Fraud Office (OLAF);

Internal controls

13. Notes that the Centre reviewed the implementation of its Internal Control Standards (ICS) in 2014; notes with satisfaction that three ICS are almost completely implemented while the rest were fully implemented;

Internal audit

14. Notes that in 2014, the Commission's Internal Audit Service (IAS) performed an audit on "Public Health Training" and submitted its report which included one observation marked as "Very important" and six recommendations marked as "Important"; notes that the action plan prepared by the Centre was accepted by the IAS and is currently being implemented;

Other comments

15. Welcomes the development and launch of the Surveillance Atlas of Infectious Diseases ("Atlas") on the Centre's web portal; notes that by the end of 2014, the Centre was publishing Union level data together with some international data for four diseases via the Atlas and encourages the Centre to continue with this project; regrets at the same time that the Centre's communication activities were largely restricted to publications on the Centre's web portal and that the Centre had not been identified by EU media as a key information provider; calls on the Centre to take steps to improve media presence;
16. Acknowledges that all reports edited and published by the Centre were made available as downloadable documents on the Centre's web portal, as well as the fact that it is increasingly publishing data, graphs, maps and infographics as downloadable assets; notes that in 2014, a new section "Data and Tools" was added to the Centre's web portal in order to provide a centralised entry point to interactive data, maps and other similar resources; regrets that information is not made available on the web portal in all Union languages;
17. Calls on the Centre to enhance its procedures and practices aimed at safeguarding the financial interests of the Union and to actively contribute to a results-oriented discharge process;
18. Recalls that, as an EU Agency, the Centre has a budget denominated in euro, but has a lot of expenses in another currency (Swedish crown (SEK)) as it is based in a non-Eurozone country; notes that in early 2014, the Centre had to implement a revised EUR to SEK exchange rate and adjust upwards the cost in EUR of expenses in SEK going back to 2011, leading to several revisions of its work programme; welcomes that, despite this, by the end of the year 2014, the Centre had delivered nearly 85 % of the deliverables planned in its work programme for 2014, as well as delivering 117 emergency outputs on the major disease control emergency of 2014, namely, the unprecedented Ebola epidemic that emerged in West Africa and subsequently evolved into a global concern;

19. Acknowledges that general management in the second half of 2014 was dominated by business continuity issues, such as the need to make balanced choices and re-align planning to address high-priority threats, while at the same time ensuring continuity of key services and projects; welcomes that, by and large, the quality of the Centre's outputs remained at a high level despite those issues;

20. Takes note that, during the course of the Ebola emergency, well over 100 staff of the Centre worked on supporting the Union-level response to Ebola, and welcomes the Centre's flexibility, service orientation and commitment to scientific excellence that were demonstrated on this occasion;

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21. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of [xx xxxx 2016]¹ [on the performance, financial management and control of the agencies].).

¹ Texts adopted of that date, P[8_TA(-PROV)(2016)0000].

22.1.2016

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

for the Committee on Budgetary Control

on discharge in respect of the implementation of the budget of the European Centre for
Disease Prevention and Control for the financial year 2014
(2015/2177(DEC))

Rapporteur: Giovanni La Via

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 into its motion for a resolution:

1. Notes that the initial core budget of the European Centre for Disease Prevention and Control ('the Centre') of EUR 58,3 million for 2014 remained at the same level as for the previous year, and that, due to an increased EFTA contribution for 2014, the overall budget increased to EUR 58,4 million;
2. Acknowledges that, because the raised weighting factor for Sweden between 2010 and 2013 had a total budgetary impact of EUR 5 million on the Centre's 2014 budget, the Centre requested an additional EUR 2 million from the Union budget in order to be able to cover the increased costs, and that, as a result, an additional EUR 2 million, which came from the Centre's positive 2013 outturn, were exceptionally provided to the Centre in 2014;
3. Notes that in 2014, a total amount of EUR 60,5 million has therefore been made available to the Centre through the general budget of the European Union; notes that this amount represents 0,042 % of the overall Union budget;
4. Notes that the subsidy allocated to the Centre for 2014 was committed and paid at 100 %;
5. Recalls that, as an EU Agency, the Centre has a budget denominated in euro, but has a lot of expenses in another currency (Swedish crown (SEK)) as it is based in a non-Eurozone country; notes that in early 2014, the Centre had to implement a revised EUR to SEK exchange rate and adjust upwards the cost in EUR of expenses in SEK going back to 2011, leading to several revisions of its work programme; welcomes that, despite this, by

the end of the year 2014, the Centre had delivered nearly 85 % of the deliverables planned in its work programme for 2014, as well as delivering 117 emergency outputs on the major disease control emergency of 2014, namely, the unprecedented Ebola epidemic that emerged in West Africa and subsequently evolved into a global concern;

6. Acknowledges that general management in the second half of 2014 was dominated by business continuity issues, such as the need to make balanced choices and re-align planning to address high-priority threats, while at the same time ensuring continuity of key services and projects; welcomes that, by and large, the quality of the Centre's outputs remained at a high level despite those issues;
7. Notes that, while being aware that the multi-annual activities of the Centre cause carry-overs, the carry-overs of committed appropriations were again relatively high in 2014 (EUR 9,7 million); in this respect, encourages the Centre's efforts to respect the budgetary principle of annuality, and in particular welcomes its commitment to more closely monitor the operational meeting expenses to avoid unnecessary carry-overs or cancellations;
8. Welcomes the Centre's efforts to complete the corrective actions based on the previous comments made by the Court of Auditors, and especially the adoption of an ex-post verification policy, which has now fully entered into force;
9. Welcomes the development, in 2014, of an anti-fraud strategy following the guidelines issued by OLAF;
10. Takes note that 183 posts out of 194, as foreseen in the establishment plan, had been filled by the end of 2014, and that the occupation rate (94,3 %, similar to that of 2013) should be increased;
11. Takes note that the total number of statutory staff decreased from 287 to 277 in 2014, due to the requested post reduction of 10% in the Establishment Plan until 2018;
12. Notes that the Centre is dedicating 75,5 % of its human resources to operational activities; encourages the Centre to progress further on this path;
13. Takes note that, during the course of the Ebola emergency, well over 100 staff of the Centre worked on supporting the Union-level response to Ebola, and welcomes the Centre's flexibility, service orientation and commitment to scientific excellence that were demonstrated on this occasion;
14. Welcomes that the Court of Auditors has announced that the transactions underlying the annual accounts of the Centre for the financial year 2014 were legal and regular in all material respects;
15. Recommends, based on the facts available, that discharge be granted to the Executive Director of the European Centre for Disease Prevention and Control with respect to the implementation of the Centre's budget for the financial year 2014.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	21.1.2016
Result of final vote	+: 58 -: 10 0: 0
Members present for the final vote	Marco Affronte, Pilar Ayuso, Zoltán Balczó, Catherine Bearder, Ivo Belet, Simona Bonafè, Soledad Cabezón Ruiz, Nessa Childers, Birgit Collin-Langen, Mireille D'Ornano, Miriam Dalli, Seb Dance, Angélique Delahaye, Jørn Dohrmann, Ian Duncan, Stefan Eck, Bas Eickhout, Eleonora Evi, José Inácio Faria, Francesc Gambús, Elisabetta Gardini, Jens Gieseke, Julie Girling, Sylvie Goddyn, Matthias Groote, Françoise Grossetête, Jytte Guteland, György Hölvényi, Anneli Jäätteenmäki, Jean-François Jalkh, Benedek Jávor, Karin Kadenbach, Peter Liese, Norbert Lins, Valentinas Mazuronis, Susanne Melior, Miroslav Mikolášik, Piernicola Pedicini, Bolesław G. Piecha, Marcus Pretzell, Frédérique Ries, Daciana Octavia Sârbu, Annie Schreijer-Pierik, Davor Škrlec, Renate Sommer, Tibor Szanyi, Claudiu Ciprian Tănăsescu, Estefanía Torres Martínez, Nils Torvalds, Glenis Willmott, Damiano Zoffoli
Substitutes present for the final vote	Paul Brannen, Herbert Dorfmann, Christofer Fjellner, Luke Ming Flanagan, Elena Gentile, Martin Häusling, Karol Karski, Andrey Kovatchev, Merja Kyllönen, Marijana Petir, Christel Schaldemose, Jasenko Selimovic, Bart Staes, Mihai Țurcanu, Tom Vandenkendelaere, Carlos Zorrinho
Substitutes under Rule 200(2) present for the final vote	Daniel Dalton

RESULT OF FINAL VOTE IN COMMITTEE RESPONSIBLE

Date adopted	4.4.2016
Result of final vote	+ : 15 - : 4 0 : 0
Members present for the final vote	Louis Aliot, Inés Ayala Sender, Dennis de Jong, Martina Dlabajová, Ingeborg Gräßle, Verónica Lope Fontagné, Monica Macovei, Dan Nica, Gilles Pargneaux, Georgi Pirinski, Petri Sarvamaa, Claudia Schmidt, Bart Staes, Marco Valli, Derek Vaughan, Anders Primdahl Vistisen, Tomáš Zdechovský
Substitutes present for the final vote	Marian-Jean Marinescu
Substitutes under Rule 200(2) present for the final vote	Bodil Valero