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Committee on Budgetary Control

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DRAFT REPORT

on discharge in respect of the implementation of the budget of the European
Centre for Disease Prevention and Control for the financial year 2013
(2014/2109(DEC))

Committee on Budgetary Control

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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 2013 (2014/2109(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2013,
- 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 2013, 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 2013, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of ... on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2013 (00000/2015 – C8-0000/2015),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- 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,
- 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 1605/2002⁴, 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 control⁵, 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

¹ OJ C 442, 10.12.2014, p. 123.

² OJ C 442, 10.12.2014, p. 123.

³ OJ L 248, 16.9.2002, p. 1.

⁴ OJ L 298, 26.10.2012, p. 1.

⁵ OJ L 142, 30.4.2004, p. 1.

Regulation applicable to the general budget of the European Communities¹,

- 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 Council², 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 (A8-0000/2015),
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 2013 / Postpones its decision on granting 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 2013;
 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).

¹ OJ L 357, 31.12.2002, p. 72.

² OJ L 328, 7.12.2013, p. 42.

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 2013 (2014/2109(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2013,
- 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 2013, 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 2013, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of ... on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2013 (00000/2015 – C8-0000/2015),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- 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,
- 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 1605/2002⁴, 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 control⁵, 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

¹ OJ C 442, 10.12.2014, p. 123.

² OJ C 442, 10.12.2014, p. 123.

³ OJ L 248, 16.9.2002, p. 1.

⁴ OJ L 298, 26.10.2012, p. 1.

⁵ OJ L 142, 30.4.2004, p. 1.

Regulation applicable to the general budget of the European Communities¹,

- 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 Council², 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 (A8-0000/2015),
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 2013 / Postpones the closure of the accounts of the European Centre for Disease Prevention and Control for the financial year 2013;
 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).

¹ OJ L 357, 31.12.2002, p. 72.

² OJ L 328, 7.12.2013, p. 42.

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 2013 (2014/2109(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 2013,
 - 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 (A8-0000/2015),
- 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 2013 was EUR 58 315 000, representing an increase of 0,2 % compared to 2012,
- B. whereas the overall contribution of the Union to the Centre's budget for 2013 amounted to EUR 56 727 000, without change compared to 2012,
- C. whereas the Court of Auditors (“the Court”), in its report on the annual accounts of the European Centre for Disease Prevention and Control (“the Court’s report”) has stated that it has obtained reasonable assurances that the Centre’s annual accounts are reliable and that the underlying transactions are legal and regular,

Follow-up of 2012 discharge

1. Notes from the Court’s report that regarding the three comments made in the 2012 discharge report, the Court marked two of them as "Not Applicable" and one as "Ongoing";
2. Acknowledges from the Centre that:
 - a. the revised version of the Centre's comprehensive independence policy, which was to be adopted by the Centre's Management Board in 2014, has been split into a policy applying to external experts and a policy applying to members of staff; notes that these policies will be ready for adoption by the Centre’s Management Board in 2015; calls on the Centre to inform the discharge authority about the adoption of the abovementioned policies;
 - b. the curriculum vitae and declarations of interests of the members of its Management Board , Advisory Forum and Senior Management have been made publicly available on the Centre’s website;
 - c. the information on its activities' impact on Union citizens is provided on the Centre's website, through the publication of several types of documents, including

press releases, newsletters, results of scientific research and specific reports;

Comments on the legality and regularity of transactions

3. Notes with concern from the Court's report that although the Centre has improved its management of procurement procedures, for one procedure launched in 2013, there was conflicting information between the contract notice and the tender specifications which may have affected the competitive process and the outcome of the procedure; acknowledges that following the Court's audit, the Centre took immediate corrective action and the framework contract was cancelled;

Budget and financial management

4. Notes that budget monitoring efforts during the financial year 2013 resulted in a relatively low budget implementation rate of 92,96 % and that the payment appropriations execution rate was 74,14 %; notes with concern that the cancellations of appropriations appeared in all budget titles and points out that the payment appropriations execution rate decreased by 2,12 % in comparison to the previous year;
5. Ascertains from the Centre that it had reserved funds from the 2013 budget for the retroactive staff salary adjustments; acknowledges that the Court of Justice of the European Union ruled in the final quarter of the year that the Centre was unable to use these funds for other purposes;

Commitments and carryovers

6. Notes with concern that the levels of committed appropriations carried over to 2014 were relatively high, with EUR 1 714 484 (26 %) for Title II (administrative expenditure) and EUR 7 907 139 (44 %) for Title III (operational expenditure); acknowledges that for Title III, the carry-overs mainly related to the procurement of IT hardware and software, and the ongoing external evaluation of the Centre; takes note that for Title III, carry-overs mainly concerned multiannual projects and IT items for which activities were implemented and payments were made according to operational needs;
7. Notes with concern that the Court identified weaknesses in respect of the budgetary planning and execution for operational meetings, mainly due to overestimated attendance levels and hotel and flight costs; is concerned that for the respective budget line, 29 % of 2013 appropriations and 59% of carry-overs from 2012 were cancelled, in addition to 38 % of committed 2013 appropriations for operational meetings being carried over to 2014;

Procurement and recruitment procedures

8. Notes that for the year 2013, neither sampled transactions nor other audit findings have led to any comments on the Centre's procurement procedures in the Court's report;
9. Notes that the Court's report for 2013 contained no comments as regards the Centre's recruitment procedures;

Internal controls

10. Takes note from the Centre that the ex post grant verification plan for 2012 experienced delays and was merged with the grant verification plan for 2013; acknowledges that the grant verification plan for 2013 is being implemented with the help of an external audit firm, contracted under the Commission's framework contract for the supply of technical assistance services in the field of audits and controls; calls on the Centre to inform the discharge authority about the results of the selected audits which are being performed under the 2013 plan;

Internal audit

11. Notes that in 2013, the Commission's Internal Audit Service (IAS) carried out a full risk assessment resulting in its Strategic Internal Audit Plan for the Centre and listing the proposed audit topics for 2014-2016; acknowledges that no further audit assignment was performed by the IAS;
12. Notes that the IAS followed up the implementation of its earlier recommendations through a desk review; acknowledges from the Centre that neither very important nor critical recommendations were open as of 31 December 2013;

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13. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of ... 2015¹ on the performance, financial management and control of the agencies.

¹ Texts adopted of that date, P8_TA-PROV(2015)0000.