

Report on budget and financial management of the European Centre for Disease Prevention and Control



Fourth Financial Year – 2008
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1. Developments in the Organisation during the year

At the beginning of the year, ECDC's overall management structure was based on the Director's Cabinet and the following five units: Scientific Advice, Surveillance, Preparedness and Response Health Communication and Administrative Services.

The Centre's Executive Management Committee (EXC) which is an advisory committee to the Director met every week. The work of the EXC focused on strategic planning and programme development. Emphasis was also given to the follow up and monitoring of the Budget Execution and the implementation of the Centre's procurement and staffing plans. The seven disease-specific coordinators participated in recurrent joint committee meetings with the EXC members. Systematic feed-back at unit meetings from the joint committee, monthly general staff meetings as well as expert meetings, assured continuous feed-back of important developments throughout the ECDC.

The organisational structure of the Centre was adjusted in order to better address the changing needs of a growing agency. The posts of Heads of Section were created within the 5 units. Staff belonging to a Section report to the section Head who is having line management responsibilities together with the responsibility to implement, follow up and report on the financial resources of his/her section.

The work of the Data Protection Officer that was appointed in 2007 was further developed. Significant work has been carried out to comply with rules and regulations regarding data protection, including the adoption of related implementing rules, the development of a register, and the notifications to the European Data Protection Supervisor of processing operations of sensitive data in application of the Regulation (EC) No 45/2001. Sensitive processes were identified and general awareness has been raised with staff and management on the importance of data protection for the Centre.

2. Budget Implementation & Finance

Major achievements in 2008 included in particular the adoption of new financial rules and the development of the verification function. The monthly reporting to the management team on the budget status was enhanced. The network of Resource officers which is comprised by the resource officers of the Centre's Units, the Procurement officer and is coordinated by the Head of the Finance and Accounting Section continued its operation with recommendations in financial issues and served as a forum for clarifying procedures and workflows.

Emphasis was also given to the improvement of the Centre's financial tools: During the year the SAP system on inventory management became operational. Preparatory discussions were held in December with the European Commission on the implementation of ABAC (the EC integrated budgetary and accounting system) that will replace in 2009 the current applications used by the Centre. In addition the Director's Cabinet initiated the procedure for the development of the Management Information System that will monitor the execution of the Centre's Work Program and is expected to be operational in 2009.

The budget of the Centre increased from EUR 27 million in 2007 to EUR 40.2 million in 2008. Budget execution reached 97% in terms of commitment appropriations. The Finance section verified more than 460 commitments throughout the year, an increase of 27% compared to 2007 (360 commitments). The payment orders issued by the Director and the authorising officers by

delegation during 2008 exceeded 4 600 (compared to approx 3 400 in 2007) while the total amount of payments executed increased by 51% and reached EUR 33.2 million (EUR 22 million in 2007).

An overview of the budget implementation (execution on commitments and payments) by fund source is provided below:

Budget Line Description	Commitment/ Payment Appropriation	Executed Commitment	% Committ ed	Executed Payment	% Paid	Carried Over	Cancelled
C1 - Current Year Appropriations	40.034.490,00	38.622.582,28	97%	22.792.671,08	57%	15.829.911,20	0,00
C4 - Assigned Revenue (reuses 2007)	444.889,57	405.924,00	91%	160.000,00	36%	284.889,57	0,00
C5 - Assigned Revenue Carried Over	200,00	0,00	0 %	0,00	0%	0,00	200,00
C8 - Carry Over of 2008 appropriations	12.058.217,84	12.058.217,84	100.00%	10.154.947,43	84%	0,00	1.903.270,41
R0 - Assigned Revenue DG ELARG Grant	180.000,00	161.350,00	90%	79.255,75	44%	100.744,25	0,00

In June 2008, following a confirmation by the Commission on the amount of the EFTA subsidy, the Management Board decided to allocate the additional € 134 thousand to titles 1 and 3. During the year, and in order to maximise the budget implementation and improve the efficiency of the funds allocated to ECDC, the Director exercised her right to amend the budget (art. 23.2 of the Financial Regulation). An additional shift was authorised by the Management Board in its November meeting. An overview of the impact of the budget transfers in fund source C1 –current year appropriations, is provided below:

	Initial Budget	MB Decision (13/06/08)	New Budget	Transfers of the Director	MB Decision (14/11/08)	Final Budget (C1)
Title 1 - Staff Related Expenditure	16.590.000	76.490	16.666.490	-525.000	-711.000	15.430.490
Title 2 - Administrative Expenditure	6.060.000		6.060.000	185.000	-520.000	5.725.000
Title 3 - Operational Expenditure	17.250.000	58.000	17.308.000	340.000	1.231.000	18.879.000
Total C1	39.900.000	134.490	40.034.490	0	0	40.034.490

In 2008 the procurement office supported over 43 open procedures and 27 negotiated procedures as well as six calls for proposals. The CPG (Committee on Procurement, Grant and Contracts) gives advice to guarantee compliance with rules and regulations and improved quality.

3. Audit issues and internal control

ECDC has a set of 24 internal control standards in place. They specify the necessary requirements, actions and expectations in order to build an effective system of internal control that could provide a reasonable assurance on the achievement of objectives. These control standards have been developed along the lines of the European Commission's ones, which are based on the international COSO standards. The standards cover the areas of control environment, performance and risk management, information and communication, control activities and audit and evaluation.

The internal control system is supported by a number of internal procedures. These procedures are approved by the Director of the Centre and include, for example, financial workflows for commitments and payments, guidance on conflicts of interests, a code of good administrative behaviour and the procurement procedures to follow. A new procedure was just introduced on handling requests for scientific advice.

The Centre was audited twice this year by the Court of Auditors (March and November 2008) for a total of 20 audit days. The audit report on the 2007 accounts was published in the official Journal the 5 December 2008, and confirmed the reliability of the accounts and the legality and regularity of the underlying transaction. The report constitutes the basis for the discharge request of the Director by the European Parliament.

In 2008, the Internal Audit Service performed an audit on Quality Management. The Internal Audit Capability performed two audits; one review of the Treasury Function and one audit of HR Management - selection procedures (recruitments).

In October 2008, a management risk self-assessment exercise was performed and an action plan is currently being put in place.

All findings and recommendations are taken into account and appropriate actions are taken. The implementation of these actions is being followed up regularly in the meetings of the ECDC Audit Committee.

4. Human Resources and Staffing

The principal tasks in the area of human resources are to ensure the recruitment of staff (temporary agents, contract agents, seconded national experts, interim and trainees), to ensure personnel administration, to organise and support learning and development activities, and to provide information to staff on these matters and related fields.

In 2008 ECDC recruited 54 additional staff (temporary agents, contract agents and seconded national experts) and eight trainees.

The number of staff and selection procedures organised is summarised below:

	2007	2008
Total staff	131	154
Selection procedures*	76	97

* The number of selection procedures is higher than that of new staff as it includes replacements as well as republications.

The ECDC internal organisation has been revised, with the subdivision of units into sections and appointment of 15 heads of section.

Nine implementing rules have been adopted, a new induction programme for newcomers has been developed and implemented, and an increased number of training days has allowed further development of staff. The first reclassification process for temporary agents was launched during the year. A new system (SAP) for time management, personnel administration and organisational management has also been implemented.

Geographical balance:

All member state nationals with the exception of Cyprus are represented in the Centre with the Swedish accounting for 21% of staff (Temporary and Contract agents) followed by German (11%), French (9%), Italian (8%) and Spanish and British (7%)