

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



Third Financial Year – 2007
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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 four units: Scientific Advice, Surveillance, Preparedness and Response and Administrative Services. However, in view of the rapidly growing importance of establishing effective communication both with professionals and the general public, a fifth unit for Health Communication was established.

The Executive Committee (EXC), which is the advisory body of the Director and chaired by her—comprised of the Director and the five Heads of Units—met every week and is the prime forum for discussing major strategic, horizontal, technical, managerial and financial matters. The growing emphasis on the seven disease-specific projects lent importance to the new joint committee comprised of the EXC and disease-specific programme staff. 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 rapidly expanding activities of ECDC put considerable pressure on all staff, but in particular on the leadership group and on the Cabinet and its Secretariat.

The legal advice function, established in 2006, was very helpful, particularly in terms of advice on procurement, contracting, human resources and general operational issues. During 2007 considerable efforts were made to clarify and describe the operational processes that are implemented at the Centre.

A main development in 2007 was the appointment of a Data Protection Officer (legal advisor) in view of the proper implementation of Regulation (EC) No 45/2001 on the protection of personal data. Sensitive processes were identified and general awareness has been raised with staff and management on the importance of data protection for the Centre. This work will be developed further in 2008.

An internal auditor was recruited and took up duty in August 2007. The auditor performed a risk assessment, which served as the basis for the audit programme 2008.

2. Budget Implementation & Finance

The Financial Services of the Centre contributed to the planning, follow up and reporting of the accounting, budgeting and procurement activities of the Centre. A key objective in 2007 was to further develop the management of the assets of the Centre, and to that respect ECDC concluded a call for banking services as well as the installation of the SAP module for inventory management. The Centre's budget grew from € 17 million in 2006 to € 28 million in 2007, resulting in a considerable expansion of financial operations. Priority was given to the preparation of the first set of internal procedures for financial and procurement activities, and to the organization of training on financial and procurement processes. To further streamline and harmonise financial activities, a network of resource officers (that are embedded in the operational units) was set up and coordinated by the finance group. Additionally, the monthly reporting to the management was further enhanced.

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

Budget Line Description	Available Budget	Executed Commitment Amount	% Committed	Executed Payment Amount	% Paid	Carried forward	Cancelled
Current year appropriations - C1	28.104.200,0	27.514.302,19	97,90%	16.250.332,62	57,82%	11.263.969,57	589.897,81
Reallocation of 2005 cancellations - C4	794.448,27	794.248,27	99,97%	-	0,00 %	794.248,27	-
Appropriations of 2006 carried forward - C8	7.097.157,11	7.097.157,11	100,00%	5.790.571,98	81,59%	-	1.306.585,13

The MB in its meeting of 13 December 2007 adopted the increase of the budget by 1,8 million. The additional funds became available from:

- a small adjustment of the EEA contribution (€ 50 thousand)
- by the allocation by the Budgetary authority of one additional million (EP – COBU meeting of 13/12/07) in fund source C1 ;

and by the reallocation to the Centre of the cancellations of 2005 funds (€ 794 thousand) in fund source C4.

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 overview of the impact of the budget transfers in fund source C1 during the year is provided below:

Budget Line Description	Appropriation s	Total Transfers (Director's decision)	New Budget	Additional Budget - C1 (MB decision)	Amended Budget
Title 1 - Staff related expenditure	10.490.900,00	-638.000,00	9.852.900,00		9.852.900,00
Title 2 - Administrative expenditure	3.395.000,00	2.053.000,00	5.448.000,00	350.000,00	5.798.000,00
Title 3 - Operational expenditure	13.160.000,00	-1.415.000,00	11.745.000,00	708.300,00	12.453.300,00
GRAND TOTAL	27.045.900,00	0,00	27.045.900,00	1.058.300,00	28.104.200,00

3. Audit issues and internal control

The Centre was audited twice by the Court of Auditors (February and October 2007) for a total of 20 audit days. The audit report on the 2006 accounts was published, including the comments of the Centre, and this constitutes the basis for the discharge request of the Director as stipulated by the European Parliament. The Internal Audit Service of the Commission performed a follow-up assessment to their May 2006 audit (10 audit days in September 2007), which was followed up further by a management visit. It was concluded that all the audit comments from 2006 were followed up and that most of them could be closed. The Audit Committee of the Centre met three times, back-to-back with the Management Board. The Committee assessed the outcome of the

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audits, monitored the budget implementation and the audit action plans and approved the Internal Auditor's work programme for 2008

The workflows and financial circuits have been revised and adapted in view of the requirements of a growing and changing organization; they also have been assessed by the Audit Committee.

4. Human Resources and Staffing

A continued key objective of the Human Resources group was to implement the recruitment plan and to facilitate the integration of new staff in the Centre and in Sweden. The recruitment aimed to establish the internal core capacities of ECDC, and during 2007 some 1 300 applications were screened and around 270 candidates were interviewed. The establishment table of 2007 included an additional 40 temporary agent posts, intended to cover long-term core functions of the Centre. The actual number of new temporary agent posts filled and appointed by the end of the year was 33. The full quota of 40 will be reached in early 2008 since recruitments are in process. By the end of 2007, the Centre had appointed 26 contract agents to complement the core staff, covering project work and technical or support functions. Apart from this, the Centre has recruited 12 scientists for EPIET. They were selected and employed as contract agents for a period of two years. However, their training is carried out at host institutes located in Member States. Together with seconded national experts, interim staff and consultants, in addition to staff already in place, this resulted in some 180 desks in use at the end of 2007.

The total number of statutory, non-statutory and external staff at the end of 2007 was as follows:

- Temporary agents (filled and appointed): 80
- Contract agents (filled and appointed): 42
- Seconded national experts: 9
- Interim staff and consultants: 46
- EPIET fellows (filled and appointed): 18
- Number of ECDC trainees: -

The geographical balance taking into account temporary agents and contract agents in the Centre improved, from 17 nationalities in 2006 to 25 nationalities in 2007.