



Final Annual Accounts 2012 of the European Centre for Disease Prevention and Control

Eighth Financial Year – 2012

Stockholm, June 1st 2013

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1. Final Annual Accounts – Certification

The annual accounts of the European Centre for Disease Prevention and Control for the year 2012 have been prepared in accordance with the Financial Regulation applicable to the general budget of the European Union and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions, agencies and joint undertakings.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the European Centre for Disease Prevention and Control in accordance with art 43 of ECDC's Financial Regulation.

I have obtained from the authorising officer, who certified its reliability, all the information necessary for the production of the accounts that show the European Centre for Disease Prevention and Control's assets and liabilities and the budgetary implementation.

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present a true and fair view of the financial position of the European Centre for Disease Prevention and Control in all material aspects .

Stockholm, June 1st 2013

A handwritten signature in blue ink, appearing to read 'Anja Van Brabant', with a horizontal line underneath.

Van Brabant Anja
Accounting Officer of ECDC

2. Annual Accounts – Presentation

The annual accounts of the European Centre for Disease Prevention and Control include the financial statements and the report on implementation of the budget. They are accompanied by the report on budget and financial management during the year.

The financial statements comprise the balance sheet and the economic outturn account at 31 December, the cash-flow table and the statement of changes in capital.

The objectives of financial statements are to provide information about the financial position, performance and cash flows of an entity that is useful to a wide range of users. For a public sector entity such as the European Centre for Disease Prevention and Control, the objectives are more specifically to provide information useful for decision making, and to demonstrate the accountability of the entity for the resources entrusted to it.

If they are to present a true and fair view, financial statements must not only supply relevant information to describe the nature and range of the activities, explain how it is financed and supply definitive information on its operations, but also do so in a clear and comprehensible manner which allows comparisons between financial years. It is with these goals in mind that the present document has been drawn up.

The accounting system of the European Centre for Disease Prevention and Control comprises budget accounts and general accounts. These accounts are kept in euro on the basis of the calendar year. The budget accounts give a detailed picture of the implementation of the budget. They are based on the modified cash accounting principle.¹ The general accounts allow for the preparation of the financial statements as they show all revenues and expenses for the financial year and are designed to establish the financial position in the form of a balance sheet at 31 December.

The annual accounts are drawn up in accordance with Article 76 of the Financial Regulation of the European Centre for Disease Prevention and Control adopted by the Management Board on 14th November 2008.

According to Article 82 of this Financial Regulation, the Centre's accounting officer shall send to the Commission's accounting officer by no later than 1 March of the following year its Provisional Annual Accounts, together with the report on budgetary and financial management during the year, referred to in Article 76 of this regulation.

The Director shall send the Final annual accounts, together with the opinion of the management board, to the Commission's accounting officer, the Court of Auditors, the European Parliament and the Council, by 1 July of the following year at the latest.

The Final Annual Accounts will be published in the Official Journal of the European Communities together with the statement of assurance given by the Court of Auditors by 15th of November of the following year in accordance with Article 83 of ECDC's Financial Regulation.

¹ This differs from cash-based accounting because of elements such as carryovers.

3. Accounting principles, rules and methods

The Annual Accounts of the Centre have been prepared according to Article 78 of the Financial Regulation which sets out the following accounting principles to be applied in drawing up the financial statements:

- going concern basis;
- prudence;
- consistent accounting methods;
- comparability of information;
- materiality;
- no netting;
- reality over appearance;
- accrual-based accounting.

and according to the accounting rules and methods adopted by the European Commission's Accounting Officer (Article 43d of the Financial Regulation)

Reporting Currency

The Centre's reporting currency is the Euro

Transactions and balances

Foreign currency transactions are converted into Euro using the exchange rates prevailing at the dates of the transactions.

Year-end balances of monetary assets and liabilities denominated in foreign currencies are converted into Euro on the basis of the exchange rates applying on 31 December.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the economic outturn account.

Intangible fixed assets & Internally Developed Intangible fixed assets

Intangible fixed assets are valued at their acquisition price converted into Euro at the rate applying when they were purchased, less depreciation and impairment. The exception is assets acquired free of charge that are valued at their market value. See amortisation rates below.

The Accounting Officer of the European Commission had granted a temporary exception with respect to the introduction of the International Public Sector Accounting Standards (IPSAS) based EC rules. One of these exceptions related to Accounting Rule n°6 and the non-capitalisation of internally developed intangible assets, normally software. From 2010 onwards, the exception has been lifted and as a consequence, the annual accounts have to reflect the capitalization of internally developed intangible fixed assets in accordance with the rules laid down. From an accounting perspective there are only three phases to an IT Project: a Research phase, a Development phase and an Operational phase. Under the accounting rule, only the development phase can be capitalized and recorded as 'Assets under construction'. Once the project goes live, the resulting asset (the development cost) will be amortised over its useful life which means the costs will be spread over several years.

The depreciation rates should range between 3 and 8 years. The depreciation follows the same principle as applied to the Centre's fixed assets i.e. if a project goes live in the first half of a month then the depreciation is applicable for that same month, if a project goes live on or following the 16th of a month then the depreciation applies starting from the following month.

The amount of research expenses incurred on IT projects and development costs not capitalized are disclosed in these annual accounts 2012 as required. In addition to the criteria which an intangible asset should meet, also a threshold had to be set for the total estimated development cost of an IT project. The threshold at ECDC was set at € 150.000.

The application of accounting rule n° 6 in the annual accounts of 2012 increases the transparency related to the Centre's internally developed intangible fixed assets in particular its internally developed IT projects (for example GIS, EPIS, VBORNET, E3, Tessy, CRM, TTT and others)

Tangible fixed assets

Tangible fixed assets are stated at historical cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Centre and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the economic outturn account during the financial period in which they are incurred.

Depreciation is calculated using the straight line method to allocate depreciation cost to the assets' residual values over their estimated useful lives, as follows:

Type of Asset	Depreciation Rate
Intangible assets	25%
Plant, machinery and equipment	10% to 25%
Furniture & Vehicles	10% to 25%
Fixtures and fittings	10% to 33%
Computer hardware	25%

The fixed asset's depreciation commences in the month if the asset's delivery date is before or on the 15th of the month, while if the delivery date of the asset is on the 16th or after that date, the monthly depreciation will only commence the following month.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, on a regular basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the economic outturn account.

In addition, improvements to the building are capitalized and depreciated over the lease period which runs according to the contract signed in 2007 between ECDC and the landlord Akademiska Hus AB until 31/1/2018.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortization and are tested regularly for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized as the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Inventories

The inventories shown in the accounts reflect the stock of publications of the Centre at year-end. These inventories are assets held for distribution in the ordinary course of its operations. The Centre's inventories are goods purchased which are for distribution to other parties free of charge. These parties are mainly our stakeholders: Management Board, Advisory Forum, Member States, and Competent Bodies etc. These publications are also distributed at conferences and events. As the Centre controls the rights to create and issue various assets, these publications are recognized as inventories and reported at their printing cost. The cost of these inventories is assigned by using the first-in, first-out method (FIFO). Publications which are, at year-end, older than N-1, are written down as these hold no longer a service potential expected to be realized from their distribution.

Receivables

Receivables are carried at original invoice amount less write-down for impairment. A write-down for impairment of receivables is established when there is objective evidence that the Centre will not be able to collect all amounts due according to the original terms of receivables.

Cash & cash equivalents

Cash and cash equivalents include bank accounts and one imprest account.

Use of estimates

In accordance with generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management. Significant estimates include, but are not limited to, accrued income and charges, contingent assets and liabilities, and degree of impairment of fixed assets. Actual results could differ from those estimates. Changes in estimates are reflected in the period in which they become known.

4. Financial Statements

4.1. Balance Sheet

Balance Sheet	<i>Notes</i>	As at Dec. 31, 2012	As at Dec. 31, 2011
		<i>(All amounts in €)</i>	
Assets			
A. Non Current Assets			
Intangible Assets	4.5.1	1.513.879,07	848.073,14
Intangible fixed assets under construction	4.5.1	2.245.362,02	1.644.327,99
Tangible Fixed Assets	4.5.2	3.102.897,65	2.600.743,31
Total Assets		6.862.138,74	5.093.144,44
Total Non Current Assets		6.862.138,74	5.093.144,44
B. Current Assets			
Prefinancing	4.5.3	65.595,97	65.423,40
Stocks	4.5.4	76.027,68	81.640,80
Short Term Receivables	4.5.5	347.061,78	373.538,76
Accrued Income	4.5.6	106.433,38	253.670,81
Deferred Charges	4.5.6	441.569,09	356.892,96
Cash and Cash equivalents	4.5.7	8.909.500,09	7.371.769,13
Total Current Assets		9.946.187,99	8.502.935,86
Total Assets		16.808.326,73	13.596.080,30
Liabilities			
A. Capital			
Accumulated surplus	4.4	6.268.965,91	9.207.176,16
Economic result of the year	4.4	2.158.045,41	(2.938.210,25)
Total Capital		8.427.011,32	6.268.965,91
B. Non Current Liabilities			
Long term Provisions	4.5.8	528.921,00	0,00
C. Current Liabilities			
Short-term provisions	4.5.9	1.769.578,46	962.319,76
Accounts Payable	4.5.10	845.301,49	2.142.367,18
Pre-financing to be returned to the Commission	4.5.11	0,00	0,00
Open Pre-financing from Grants	4.5.11	188.054,00	253.670,81
Deferrals & Accruals	4.5.12	5.049.460,46	3.968.756,64
		7.852.394,41	7.327.114,39
Total Liabilities		16.808.326,73	13.596.080,30

4.2. Economic Outturn Account

		2012	2011
		<i>(All amounts in €)</i>	
Operating Revenue	4.5.13	58.319.731,18	56.863.808,37
Administrative Expenses	4.5.14	(41.749.401,65)	(40.884.446,74)
<i>Staff related expenses</i>	4.5.14	<i>(27.029.785,52)</i>	<i>(23.965.418,57)</i>
<i>Depreciation/Amortisation/Write-off</i>	4.5.14	<i>(1.319.761,27)</i>	<i>(1.251.981,86)</i>
<i>Other Administrative Expenses</i>	4.5.14	<i>(13.399.854,86)</i>	<i>(15.667.046,31)</i>
Operational Expenses	4.5.15	(13.858.462,54)	(17.634.694,81)
Surplus from Administrative & Operating Activities		2.711.866,99	(1.655.333,18)
Financial revenues	4.5.16	0,00	0,00
Financial Expenses	4.5.16	(7.131,99)	(3.125,93)
Currency Exchange Gains/(Losses)	4.5.17	(546.689,59)	(1.279.751,14)
Economic Result for the Year		2.158.045,41	(2.938.210,25)

4.3. Cash Flow Statement

	2012	2011
Cash Flows from ordinary activities		
Surplus/(deficit) from ordinary activities	2.158.045,41	(2.938.210,25)
Operating activities		
<u>Adjustments</u>		
Amortization (intangible fixed assets)	323.985,19	268.185,29
Depreciation (tangible fixed assets)	993.534,99	973.240,54
Increase/(decrease) in Provisions for risks and liabilities	1.336.179,70	962.319,76
Increase/(decrease) in Value reduction for doubtful debts	0,00	0,00
(Increase)/decrease in Stock	5.613,12	(38.827,41)
(Increase)/decrease in Long term Pre-financing	0,00	0,00
(Increase)/decrease in Short term Pre-financing	(172,57)	161.241,60
(Increase)/decrease in Short term Receivables	88.182,50	100.328,24
(Increase)/decrease in Receivables related to consolidated EU entities	855,78	13.220,13
Increase/(decrease) in Accounts payable	(157.746,22)	(51.128,38)
Increase/(decrease) in Liabilities related to consolidated EU entities	(124.232,46)	(228.220,93)
Other non-cash movements	2.241,09	230.669,90
Net cash Flow from operating activities	4.626.486,53	(547.181,51)
Cash Flows from investing activities		
Increase of tangible and intangible fixed assets	(3.088.755,57)	(2.164.000,84)
Net cash flow from investing activities	(3.088.755,57)	(2.164.000,84)
Net increase/(decrease) in cash and cash equivalents	1.537.730,96	(2.711.182,35)
Cash and cash equivalents at the beginning of the period	7.371.769,13	10.082.951,48
Cash and cash equivalents at the end of the period	8.909.500,09	7.371.769,13

4.4. Statement of Changes in Capital

Capital (All amounts in €)	Reserves		Accumulated Surplus / Deficit	Economic result of the year	Total Capital
	Fair value reserve	Other reserves			
Balance as of 1 January 2012	0,00	0,00	9.207.176,16	(2.938.210,25)	6.268.965,91
Other revaluations	0,00	0,00	0,00	0,00	0,00
Reclassifications	0,00	0,00	0,00	0,00	0,00
Allocation of the Economic Result of Previous Year	0,00	0,00	(2.938.210,25)	2.938.210,25	0,00
Economic result of the year	0,00	0,00	0,00	2.158.045,41	2.158.045,41
Balance as of 31 December 2012	0,00	0,00	6.268.965,91	2.158.045,41	8.427.011,32

4.5. Notes to the Financial Statements

4.5.1. Intangible Assets

All amounts in €

	Internally generated Computer Software	Other Computer Software	Total Computer Software	Other Intangible assets (1)	Intangible fixed assets under construction	Total
Gross carrying amounts 01.01.2012	0,00	1.698.797,35	1.698.797,35	00,0	1.644.327,99	3.343.125,34
Additions		124.286,20	124.286,20		1.466.538,95	1.590.825,15
Disposals						
Transfer between headings	865.504,92		865.504,92		(865.504,92)	0,00
Other changes						
Gross carrying amounts 31.12.2012	865.504,92	1.823.083,55	2.688.588,47	0,00	2.245.362,02	4.933.950,49
Accumulated amortization and impairment 01.01.2012	0,00	(850.724,21)	(850.724,21)		0,00	(850.724,21)
Amortization		(323.985,19)	(323.985,19)		0,00	(323.985,19)
Write-back of amortization						
Disposals					0,00	0,00
Accumulated amortization 31.12.2012		(1.174.709,40)	(1.174.709,40)		0,00	(1.174.709,40)
Net carrying amounts 31.12.2012	865.504,92	648.374,15	1.513.879,07	0,00	2.245.362,02	3.759.241,09

Not capitalised cost	Research cost	Not capitalised development cost *
Cost of the year 2012	16.256,54	347.369,88

* Including yearly amortization on the capitalised Intangible Internally generated

4.5.2. Fixed Assets

All amounts in €

	Buildings	Plant and Equipment	Computer hardware	Furniture and vehicles	Tangible Fixed Assets under Construction	Total
Gross carrying amounts 01.01.2012	1.072.165,43	1.013.383,34	3.283.595,54	802.738,12	0,00	6.171.882,43
Additions	1.111.271,16	0,00	365.925,19	20.734,07		1.497.930,42
Disposals			(3.939,78)			(3.939,78)
Transfer between headings		(2.167,34)	2.167,34			0,00
Other changes						0,00
Gross carrying amounts 31.12.2012	2.183.436,59	1.011.216,00	3.647.748,29	823.472,19	0,00	7.665.873,07
Accumulated depreciation 01.01.2012	(398.488,36)	(861.483,27)	(1.972.983,48)	(338.184,01)	0,00	(3.571.139,12)
Depreciation	(260.033,89)	(69.494,84)	(578.811,50)	(85.194,76)		(933.534,99)
Write-back of depreciation						
Disposals			1.698,69			1.698,69
Impairment						0,00
Write-back of impairment						0,00
Transfer between headings		1.896,44	(1.896,44)			0,00
Other changes						0,00
Accumulated depreciation 31.12.2012	(658.522,25)	(929.081,67)	(2.551.992,73)	(423.378,77)	0,00	(4.562.975,42)
Net carrying amounts 31.12.2012	1.524.914,34	82.134,33	1.095.755,56	400.093,42	0,00	3.102.897,65

4.5.3. Pre-financing

The Centre has signed grant agreements with several Health Institutions and Universities of EU member states in relation to its activities. Pre-financing payments in relation to those grants are reported as receivables and cleared after the agreed deliverables and corresponding costs statements are submitted by the beneficiaries to ECDC. The total amounts of Pre-financing paid (but not cleared), accrued and remaining open as, at 31/12/2012 is reported below:

All amounts in €

Non cleared pre-financing at 31/12/2012	418.642,37
Accrued Charges on Pre-financing	<u>(353.046,40)</u>
Open pre-financing at 31/12/2012	65.595,97

4.5.4. Stocks

All amounts in €

	01/01/2012	Additions	Disposals	Write down at year end	31/12/2012
ECDC Publications	81.640,80	61.702,15	(17.318,02)	(49.997,25)	76.027,68
Other	0,00	0,00	0,00	0,00	0,00
Total	81.640,80	61.702,15	(17.318,02)	(49.997,25)	76.027,68

The additions reflect the amount of publications purchased at printing cost in 2012. The amount disposed shows the amount of publications distributed free of charge in 2012. The amount written down equals the value of publications in stock which are older than N-1, as these hold no longer a service potential, expected to be realized from their distribution.

4.5.5. Short term Receivables

Short term receivables relate to the following:

All amounts in €

	31/12/2012	31/12/2011
VAT Receivable from Member States	318.371,39	371.257,43
Receivable from other EU institutions and bodies	0,00	855,78
Receivable from Staff	28.690,39	1.425,55
Other	0,00	0,00
Total	347.061,78	373.538,76

Short term receivables comprises mainly of VAT Receivable from the Swedish Authorities. According to the Memorandum of Understanding signed between the Government of Sweden and the Centre, the later has to file an application of Reimbursement of VAT paid on purchases greater than SEK 1.500 (approx. 175€ at EC year-end rate 2012). The VAT receivable appearing in the accounts relates to invoices paid in the last quarter of 2012. Previous claims regarding 2012 were already paid back in full.

4.5.6. Deferred Charges & Accrued Income

Deferred Charges relate mainly to warranties and maintenance costs in relations to ICT equipment that are paid in advance upon reception of goods but are valid for a period longer than 12 months (usually 3 years). The part not related to 2012 is reported here.

Accrued income relates to the cut-off procedure at year-end for the third Grant from DG Enlargement, which was signed in February 2012 and will be implemented until 30/06/2014.

4.5.7. Cash in Bank and imprest account

The Centre keeps its accounts to SEB bank in Euro and in SEK. The balances as at December 31, 2012 are as follows:

All amounts in €

	31/12/2012	31/12/2011
Acc No 59368289476 (EUR)	8.638.745,58	4.923.283,43
Acc No 59378215971 (EUR)	12,08	32.301,69
Acc No 59308246266 (EUR)	95.507,59	0,00
Acc No 52011096375 (SEK)	174.042,49	2.415.424,29
Acc No 52011170974 (SEK)	457,97	0,00
Acc No 52011097061 (SEK)	734,38	759,72
Cash in Hand	0,00	0,00
Total	8.909.500,09	7.371.769,13

The Centre mainly uses the account No 52011096375 to execute its local transactions in SEK while the Euro account No 59368289476 is used for cross border payments and the reception of the Commission subsidy. Account No 59378215971 (EUR), Account No 59308246266 (EUR), Account No 52011170974 (SEK), are used to receive funds and execute payments related to the DG Enlargement grants for the cooperation of the Centre with the Candidate and Potential Candidate countries, implemented by ECDC.

Account No 52011097061 is the imprest account of the Centre. No cash has been handled by the Centre in 2012.

4.5.8. Long Term Provisions

In accordance with the lease contract with the landlord, the Centre has the obligation to restore the building in its original state when vacating the premises at the end of the lease. Following a comment from the Court of Auditors, this obligation has now been reflected in the accounts. Based on a study which was carried out in 2012 the dilapidation cost of this obligation has been estimated at 4.539.200 SEK, which equals 528.921 € (converted at the official EC 2012 year-end exchange rate applicable for SEK).

4.5.9. Short Term Provisions

In 2012, one additional short term provision for an amount of 807.258,70 € was posted. 432.382,39 € of this provision has been booked to reflect the decision from the Council, made in December 2012, not to adopt the European Commission's proposal related to the adjustment, with the effect from 1 July 2012, of the remuneration and pension of the officials and other servants of the European Union and the corrections coefficients applied thereto. And the fact that the European Commission has introduced a legal action before the Court of Justice against the Council for not adopting the annual adjustment to remuneration and pensions of EU staff for 2012. 374.876,31 € of the provision booked in 2012, relates to the salary adjustments of 2011, for which the legal action was pending the full year before the Court of Justice.

4.5.10. Accounts Payable

The breakdown of accounts payable at the end of the year is as follows:

All amounts in €

	31/12/2012	31/12/2011
Vendors	815.648,83	2.032.318,47
Interest Income payable to the Commission (1)	22.045,70	77.775,13
Other payables to the Commission	300,36	3.349,50
Other payables to Member States	7.306,60	28.500,00
Social Security Contributions & income taxes payable	0,00	0,00
Sundry Payables	0,00	424,08
Total	845.301,49	2.142.367,18

(1) see also Note 4.5.16

4.5.11. Pre-financing

Pre-financing to be returned to the EC

In general, the amount represents the positive outturn of the budgetary accounts that according to the financial regulation is to be returned to the Commission.

In 2012, ECDC had a positive budget outturn (see also 5.1), but when added to the negative outturn from previous years, the overall balance of the outturn remains negative therefore no amount has to be returned to the Commission for 2012.

Open pre-financing

An amount of € 188 thousand received by ECDC, which cover expenditure related to the implementation of the third grant agreement with DG Enlargement, for actions with the candidate and potential candidate countries, which started its implementation on the 01/01/2012.

4.5.12. Accrued Expenses & Deferred Income

Accrued expenses are estimates provided by the authorising officers on the cost of services and deliveries of goods incurred during 2012 but not yet invoiced or processed. In addition, the cost of the untaken leave of staff during 2012 is reported here

	<i>All amounts in €</i>	
	31.12.2012	31.12.2011
Untaken annual leave	353.904,28	464.340,12
Accrued charges	4.695.556,18	3.494.064,52
Total	5.049.460,46	3.958.404,64

No deferred income has been booked for 2012.

4.5.13. Revenue

The Centre is almost exclusively financed by the Community Budget together with the EFTA Member States contributing to its budget by approximately 2,8%. In 2012 the Centre received the subsidy of 58.200.000€ from the European Commission.

An amount of € 36 thousand has been booked a miscellaneous income and consists of accrued income, recovery of taxes and recovery of costs from staff regarding previous years. Of the above mentioned amount 9.594,61 € has been included in the budget tables 2012 in order to be returned to the European Commission.

The Centre is also reporting as revenue an amount of € 83 thousand, which is the result of the closure of the second Grant from DG Enlargement for cooperation with the candidate and potential candidate countries for accession to the Union and the year-end cut-off made regarding the third Grant agreement received in 2012. Here the posting versus accrued revenue is equal to the expenditures made under Grant 3 during 2012.

Below is the breakdown of the revenue for the year:

	<i>All amounts in €</i>	
	2012	2011
Community Subsidy (including EEA contribution)	58.200.000,00	56.656.000,00
DG Enlargement Grants	83.153,76	190.897,61
Other revenue	36.577,42	16.910,76
Total	58.319.731,18	56.863.808,37

4.5.14. Administrative Expenses

Administrative expenses relate mainly to costs incurred by the daily operations of the Centre and include Staff related costs. The breakdown of the main areas is provided below:

All amounts in €

	2012	2011
Staff related expenses	27.029.785,52	23.965.418,57
Costs related to Seconded National Experts & Trainees	313.968,74	365.989,98
Mission Expenses	928.215,36	1.015.410,91
Management Board, Advisory Forum & Administrative Meetings	256.420,76	197.056,88
Rent and Building Costs	3.536.669,03	3.737.431,91
Depreciation/Amortisation/Write-off	1.319.761,27	1.251.981,86
Recruitment Related Costs	94.364,84	163.247,21
IT costs Research	16.256,54	591.334,99
IT costs Development	347.369,88	1.167.583,55
IT costs Operational	4.727.972,18	4.845.450,28
Other	3.178.617,53	3.583.540,60
Administrative Expenses – Total	41.749.401,65	40.884.446,74

4.5.15. Operational Expenses

Operational Expenses relate to the activities of the Operational Units and the Director's cabinet and also include the developments in the area of information and communication technology in relation to the operations.

All amounts in €

	2012	2011
Operational Expenses – Total	13.858.462,54	17.634.694,81

4.5.16. Finance Income / Expense

This heading covers expenses mainly relating to bank fees, interest expenses on late payment of charges and interest expenses on leasing.

In addition, the Centre received € 22 thousand of interest income earned on the Community Subsidy that is reported under Note 4.5.10. – Accounts Payable, as according to the Financial Regulation it has to be returned to the Commission.

4.5.17. Exchange rate gains/ losses

The Seat of the Centre is outside of the Euro-zone. As a result a substantial part of its activities is carried out in Swedish crowns while the Centre's income as well as its reporting Currency is Euro. The exchange rate differences encountered in 2012 consist of the revaluation of the Swedish Crown in relation to € at year-end, together with the adjustment of the weighting factor applied to the remuneration of staff employed in Sweden and differences related to the payments made in Swedish Crown as the exchange rate used in our financial system differs from the daily rate used by the bank when the payments are actually made. These three components resulted in exchange rate losses of € 547 thousand (versus losses of € 1.279 thousand in 2011).

4.5.18. Contingent Assets & Liabilities

Contingent Liabilities

As at 31 December 2012, the Centre had agreements with several contractors and suppliers for the amount of € 4.828 thousand. These agreements relate mainly to operational projects and are covered by budgetary commitments against 2012 appropriations.

In accordance with the lease contract, the Centre has the obligation to restore the building in its original state when vacating the premises at the end of the lease. Following a comment from the Court of Auditors, this obligation has now been reflected in the accounts. Based on a study which was carried out in 2012 the cost of this obligation has been estimated at 528.921 €. The residual amount of this contingent liability for 2013 till 2018 equals 440.767,50 €.

4.5.19. Operational Leases

The Centre has a lease agreement with Akademiska Hus AB in order to cover its housing needs. Rental costs for the remaining period to 31/1/2018 reach almost 8.4 million €. In addition the centre has lease agreements for printing and copying equipment that run until end of April 2013.

The payment schedule for the following years is presented below:

All amounts in €

	Charges paid during the year	Charges still to be paid			Total charges to be paid
		<1yr	1-5 yrs	>5 yrs	
Printers/ Copiers	94.025,35	29.000,00			29.000,00
Buildings	1.891.232,27	1.685.000,00	6.550.000,00	0,00	8.235.000,00
Total	1.985.257,62	1.714.000,00	6.550.000,00	0,00	8.264.000,00

4.5.20. Related party disclosures

The Centre is managed by the Senior Management Team (SMT) consisting of the Director (Authorising Officer) and the heads of Unit (Authorising Officers by Delegation). All members are temporary agents of the European Communities in the following grades:

Grade	No of Persons in the Grade
AD14	2
AD13	1
AD12	2
AD10	1
Total	6

and as such their remuneration, allowances and other entitlements are covered by the Conditions of Employment of Other Servants of the European Communities

4.5.21. Pension Obligations

ECDC staff are members of the European Communities Pension Scheme which is a defined benefit pension plan.

A defined benefit plan is a pension plan that generally defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age and years of service.

In 2012, throughout the whole year, ECDC staff contributed 11,6% of their basic salary to the pension scheme. The cost undertaken by the European Commission is not presented on the ECDC's accounts.

Future benefits payable to ECDC staff under the EC Pension Scheme are accounted for in the accounts of the European Commission and no such provisions are entered in the Centre's accounts.

5. Report to the Budget Implementation

5.1. Budget Execution

		<i>All amounts in €</i>	
		2012	2011
REVENUE			
	Commission subsidy	58.200.000,00	56.656.000,00
	Grant funds from Commission	0,00	0,00
	Other revenue	197.648,61	16.910,76
	TOTAL REVENUE (a)	58.397.648,61	56.672.910,76
EXPENDITURE			
	<i>Title I: Staff</i>		
	Payments	27.919.079,39	26.058.187,00
	Appropriations carried over	781.087,78	1.249.994,67
	<i>Title II: Administrative Expenses</i>		
	Payments	4.709.025,39	4.482.891,66
	Appropriations carried over	1.172.093,92	1.485.046,95
	<i>Title III: Operating Expenditure</i>		
	Payments	11.878.182,46	13.177.825,30
	Appropriations carried over	8.422.003,20	8.324.922,44
	TOTAL EXPENDITURE (b)	54.881.472,14	54.778.868,02
	OUTTURN FOR THE FINANCIAL YEAR (a-b)	3.516.176,47	1.894.042,74
	Cancellation of unused payment appropriations carried over from previous year	764.357,54	1.132.269,14
	Adjustment for carry-over from the previous year of appropriations available at 31.12.2012 arising from assigned revenue	41.554,21	190.897,61
	Exchange differences for the year (gain+/loss-)	-2.022.102,54	-20.953,46
	Exchange differences from previous years (gain+/loss-)	(*) -1.631.154,03	0,00
	BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR	668.831,65	3.196.256,03
	Balance 2011	-1.981.936,91	-5.178.192,94
	Positive balance from 2011 reimbursed in year 2012 to the Commission	0,00	0,00
	Result used for determining amounts in general accounting	<u>-1.313.105,26</u>	-1.981.936,91
	Commission subsidy (2012 Revenue)	<u>58.200.000,00</u>	
	Pre-financing remaining open to be reimbursed to EC in 2013	0,00	
NOT INCLUDED IN THE BUDGET OUTTURN:			
	Interest generated by 31/12/2012 on the Commission subsidy funds and to be reimbursed to the Commission (liability)	22.045,70	77.775,13

(*) following 2012 instructions from EC, exchange rate differences from previous years have been included in order to regularise the accumulated budgetary outturn

5.2. Explanatory notes to the Budget

5.2.1. Income

The initial Budget appropriations for 2012 as voted by the Management board meeting in December 2011 amounted to 58.200 thousand €. During the year the following adjustments were made:

Budget Line		Initial Available Budget	Adjustments	Final Available Budget
2000 IC1	European Community Contribution - Current Year Appropriations	56.727.000,00	(0,00)	56.727.000,00
2001 IC4	European Community Contribution - Earmarked funds (Reuse previous years)	0,00	(0,00)	0,00
200	European Community contribution	56.727.000,00	(0,00)	56.727.000,00
3000 IC1	Subsidy from EEA/EFTA member states (% of EU contribution)	1.350.000,00	(124.000,00)	1.474.000,00
300	Subsidy from the EEA/EFTA	1.350.000,00	(124.000,00)	1.474.000,00
Total Revenue 2012		58.077.000,00	(124.000,00)	58.201.000,00
R0 – DG ELARG	European Community Contribution - Earmarked funds	188.054,00	(0,00)	188.054,00

No adjustment, as shown in the table above, was made in 2012, to the European Community Contribution 2012 while the EEA/EFTA Member States contribution increased slightly.

In 2012, a third grant was received, for the cooperation with the European Commission on gradual integration of the Candidate and Potential candidate Countries for EU accession to ECDC programs. Also in 2012, the last payments regarding the second grant agreement, which ended on 30th November 2011, were made and the grant was closed following the approval of the technical and financial report by DG Enlargement. The remainder of 6.648,81€ was paid back to the European Commission in 2012.

5.2.2. Expenditure

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

Fund Source	Commitment (CA)/ Payment (PA) Appropriations 2012	Executed Commitment	% Commit -ted	Executed Payment in 2012	% Paid	Carried forward to 2013	Cance lled
C1 - Current Year Appropriations	58.201.000,00 (CA/PA)	54.658.512,74	93,91%	44.385.099,35	76,26%	10.273.413,39	3.542.487,26
C5 – Assigned revenue appropriations	10.352,00			6.831,92	65,99%	3.520,08	0,00
C8 – Carry-forward of 2010 appropriations	11.018.409,85 (PA)			10.254.052,31	93,06%	0,00	764.357,54
R0 - Assigned Revenue DG ELARG Grant 3 (*)	188.054,00 (CA/PA)	188.054,00	100%	89.802,57	47,75%	98.251,43	0,00

* Grant 3 -Actions with Candidate & Potential Candidate Countries

° executed payments in 2012 on carry-over from 2011

For a detailed analysis of the budget execution by Budget article please refer to Annexes 1-3

An overview of the impact of the budget transfers in fund source 'C1 –Current Year Appropriations' is provided below:

Budget 2012 Fund Source C1 Current Year Appropriations	Initial Budget	EFTA/EC Subsidy Increase	MB Amendments	Director Adjustments	FINAL BUDGET
Title 1 – Staff related Expenditure	31.173.000,00	+81.000,00	0,00	-269.008,00	30.984.992,00
Title 2 – Administrative Expenditure	6.643.000,00			+172.993,00	6.815.993,00
Title 3 - Operations	20.261.000,00	+43.000,00	0,00	+96.015,00	20.400.015,00
Total Budget	58.077.000,00	+124.000,00	0,00	0,00	58.201.000,00

5.2.3. Reconciliation between the Budget Outturn Account (see 5.1) and the Economic Outturn Account (see 4.2)

All amounts in €

Economic Outturn Account 2012	<u>(2.158.045,41)</u>
<i>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</i>	
Adjustments for Accrual Cut-off (reversal 31.12.2011)	(5.830.805,85)
Adjustments for Accrual Cut-off (cut- off 31.12.2012)	5.403.539,76
Unpaid invoices at year end but booked in charges	0,00
Depreciation of intangible and tangible fixed assets	1.319.761,27
Provisions	2.282.671,65
Value reductions	0,00
Pre-financing given in previous year and cleared in the year	5.820,43
Pre-financing received in previous year and cleared in the year	0,00
Payments made from carry-forward of payment appropriations	10.254.052,31
Other (includes reversal of 2011 deferred charges, stock decrease)	(78.969,74)
Exchange rate differences (losses)	(1.475.412,95)
<i>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</i>	
Asset acquisitions (less unpaid amounts)	(2.163.450,46)
New pre-financing paid in the year 2012 and remaining open as at 31.12.2012	(5.993,00)
New pre-financing received in the year 2012 and remaining open as at 31.12.2012	0,00
Budgetary recovery orders issued in 2012 on balance sheet accounts (not 7 or 6 accounts) and cashed	0,00
Payment appropriations carried over to 2013	(10.375.184,90)
Cancellation of unused carried over payment appropriations from previous year	764.357,54
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	41.554,21
Other (exchange rate differences from previous years)	(1.631.154,03)
Budgetary Outturn Account 2012	<u>668.831,65</u>

5.2.4. Budgetary Principles

The establishment and implementation of the budget of the European Centre for Disease Prevention and Control are governed by the following basic principles:

- (a) unity and budget accuracy;
all expenditure and revenue must be incorporated in a single budget document, must be booked on a budget line and expenditure must not exceed authorised appropriations;
- (b) universality:
this principle comprises two rules:
 - the rule of non-assignment, meaning that budget revenue must not be earmarked for specific items of expenditure (total revenue must cover total expenditure);
 - the gross budget rule, meaning that revenue and expenditure are entered in full in the budget without any adjustment against each other;
- (c) annuality:
the appropriations entered are authorised for a single year and must therefore be used during that year;
- (d) equilibrium:
the revenue and expenditure shown in the budget must be in balance (estimated revenue must equal payment appropriations);
- (e) specification:
each appropriation is assigned to a specific purpose and a specific objective;
- (f) unit of account:
the budget is drawn up and implemented in euro and the accounts are presented in euro;
- (g) sound financial management:
budget appropriations are used in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness;
- (h) transparency:
the budget is established and implemented and the accounts presented in compliance with the principle of transparency - the budget and amending budgets are published in the Official Journal of the European Communities.

Annex 1 – Budget Execution / Fund source C1 – Current year appropriations

Budget Line Position	Budget Line Description	Commitment Appropriation Transaction Amount	Executed Commitment Amount	% Committed	Payment Appropriation Transaction Amount	Executed Payment Amount	% Paid	RAL	Cancelled
A-1100	Basic salaries	12,439,992.00	11,909,551.81	95.74%	12,439,992.00	11,909,551.81	95.74%	0.00	530,440.19
A-1101	Family Allowances	1,931,264.00	1,907,825.97	98.79%	1,931,264.00	1,907,825.97	98.79%	0.00	23,438.03
A-1102	Expatriation Allowances	1,900,000.00	1,764,829.89	92.89%	1,900,000.00	1,764,829.89	92.89%	0.00	135,170.11
	Total Article 110	16,271,256.00	15,582,207.67	95.77%	16,271,256.00	15,582,207.67	95.77%	0.00	689,048.33
A-1111	Contract Agents - Basic Salaries	3,400,000.00	3,123,817.46	91.88%	3,400,000.00	3,123,817.46	91.88%	0.00	276,182.54
A-1112	Contract Agents - Allowances	1,055,000.00	928,682.28	88.03%	1,055,000.00	928,682.28	88.03%	0.00	126,317.72
	Total Article 111	4,455,000.00	4,052,499.74	90.97%	4,455,000.00	4,052,499.74	90.97%	0.00	402,500.26
A-1140	Birth & Death grants	5,000.00	4,164.51	83.29%	5,000.00	4,164.51	83.29%	0.00	835.49
A-1141	Travel expenses from place of employment to place of origin	704,000.00	686,690.93	97.54%	704,000.00	686,690.93	97.54%	0.00	17,309.07
A-1142	Overtime	70,000.00	65,325.15	93.32%	70,000.00	65,325.15	93.32%	0.00	4,674.85
A-1149	Learning & Development	559,000.00	427,615.32	76.50%	559,000.00	184,555.40	33.02%	243,059.92	131,384.68
	Total Article 114	1,338,000.00	1,183,795.91	88.48%	1,338,000.00	940,735.99	70.31%	243,059.92	154,204.09
A-1170	Freelance and joint interpreting and conference service interpreters	47,736.00	47,736.00	100.00%	47,736.00	47,736.00	100.00%	0.00	0.00
A-1173	Translations	35,000.00	19,494.77	55.70%	35,000.00	14,307.27	40.88%	5,187.50	15,505.23
A-1174	Payment for administrative assistance from the Community institutions	270,000.00	270,000.00	100.00%	270,000.00	256,734.99	95.09%	13,265.01	0.00
A-1175	Interim services	1,500,000.00	1,452,592.49	96.84%	1,500,000.00	1,335,974.19	89.06%	116,618.30	47,407.51
A-1176	Relocation Services	56,000.00	0.00	0.00%	56,000.00	0.00	0.00%	0.00	56,000.00
	Total Article 117	1,908,736.00	1,789,823.26	93.77%	1,908,736.00	1,654,752.45	86.69%	135,070.81	118,912.74
A-1180	Miscellaneous expenditure on recruitment	165,000.00	151,466.38	91.80%	165,000.00	86,527.09	52.44%	64,939.29	13,533.62
A-1181	Travel expenses	30,000.00	16,132.79	53.78%	30,000.00	16,132.79	53.78%	0.00	13,867.28
A-1182	Installation, resettlement & transfer allowances	250,000.00	188,104.63	75.24%	250,000.00	188,104.63	75.24%	0.00	61,895.37
A-1183	Removal Expenses	250,000.00	140,046.71	56.02%	250,000.00	96,764.38	38.71%	43,282.33	109,953.29
A-1184	Temporary daily subsistence allowance	150,000.00	96,410.26	64.27%	150,000.00	96,410.26	64.27%	0.00	53,589.74
	Total Article 118	845,000.00	592,160.77	70.08%	845,000.00	483,939.15	57.27%	108,221.62	252,839.23

Budget Line Position	Budget Line Description	Commitment Appropriation Transaction Amount	Executed Commitment Amount	% Committed	Payment Appropriation Transaction Amount	Executed Payment Amount	% Paid	RAL	Cancelled
A-1190	Weightings applied to remunerations	3,307,000.00	3,222,010.54	97.43%	3,307,000.00	3,222,010.54	97.43%	0.00	84,989.46
A-1191	Provisional Appropriation (rappel)	350,000.00	0.00	0.00%	350,000.00	0.00	0.00%	0.00	350,000.00
	Total Article 119	3,657,000.00	3,222,010.54	88.11%	3,657,000.00	3,222,010.54	88.11%	0.00	434,989.46
	Total Chapter 11	28,474,992.00	26,422,497.89	92.79%	28,474,992.00	25,936,145.54	91.08%	486,352.35	2,052,494.11
A-1300	Mission expenses, travel expenses and incidental expenditure	1,000,000.00	988,509.93	98.85%	1,000,000.00	769,372.26	76.94%	219,137.67	11,490.07
	Total Article 130	1,000,000.00	988,509.93	98.85%	1,000,000.00	769,372.26	76.94%	219,137.67	11,490.07
	Total Chapter 13	1,000,000.00	988,509.93	98.85%	1,000,000.00	769,372.26	76.94%	219,137.67	11,490.07
A-1410	Medical Service	150,000.00	105,435.13	70.29%	150,000.00	73,395.34	48.93%	32,039.79	44,564.87
	Total Article 141	150,000.00	105,435.13	70.29%	150,000.00	73,395.34	48.93%	32,039.79	44,564.87
	Total Chapter 14	150,000.00	105,435.13	70.29%	150,000.00	73,395.34	48.93%	32,039.79	44,564.87
A-1520	Staff Exchanges	415,000.00	316,327.72	76.22%	415,000.00	314,327.72	75.74%	2,000.00	98,672.28
	Total Article 152	415,000.00	316,327.72	76.22%	415,000.00	314,327.72	75.74%	2,000.00	98,672.28
	Total Chapter 15	415,000.00	316,327.72	76.22%	415,000.00	314,327.72	75.74%	2,000.00	98,672.28
A-1700	Entertainment & Representation Expenses	17,000.00	10,000.00	58.82%	17,000.00	8,361.46	49.19%	1,638.54	7,000.00
	Total Article 170	17,000.00	10,000.00	58.82%	17,000.00	8,361.46	49.19%	1,638.54	7,000.00
	Total Chapter 17	17,000.00	10,000.00	58.82%	17,000.00	8,361.46	49.19%	1,638.54	7,000.00
A-1801	Social Contact Between Staff	63,000.00	54,634.34	86.72%	63,000.00	14,714.91	23.36%	39,919.43	8,365.66
A-1802	Sickness Insurance	550,000.00	530,133.66	96.39%	550,000.00	530,133.66	96.39%	0.00	19,866.34
A-1803	Accident and Occupational Diseases	115,000.00	77,963.72	67.79%	115,000.00	77,963.72	67.79%	0.00	37,036.28
A-1804	Unemployment for temporary staff	200,000.00	194,664.78	97.33%	200,000.00	194,664.78	97.33%	0.00	5,335.22
	Total Article 180	928,000.00	857,396.50	92.39%	928,000.00	817,477.07	88.09%	39,919.43	70,603.50
	Total Chapter 18	928,000.00	857,396.50	92.39%	928,000.00	817,477.07	88.09%	39,919.43	70,603.50
	Total Title 1	30,984,992.00	28,700,167.17	92.63%	30,984,992.00	27,919,079.39	90.11%	781,087.78	2,284,824.83

Budget Line Position	Budget Line Description	Commitment Appropriation Transaction Amount	Executed Commitment Amount	% Committed	Payment Appropriation Transaction Amount	Executed Payment Amount	% Paid	RAL	Cancelled
A-2000	RENT & RELATED EXPENDITURE	1,952,851.00	1,948,593.92	99.78%	1,952,851.00	1,948,593.92	99.78%	0.00	4,257.08
A-2001	Insurance	10,000.00	439.41	4.39%	10,000.00	439.41	4.39%	0.00	9,560.59
A-2002	Water, Gas, Electricity etc	219,000.00	198,000.00	90.41%	219,000.00	176,455.94	80.57%	21,544.06	21,000.00
A-2003	Maintenance, cleaning	177,000.00	167,381.04	94.57%	177,000.00	137,749.13	77.82%	29,631.91	9,618.96
A-2004	Fitting-out	176,000.00	96,446.12	54.80%	176,000.00	56,368.81	32.03%	40,077.31	79,553.88
A-2005	Security of Building	329,000.00	311,083.99	94.55%	329,000.00	293,196.01	89.12%	17,887.98	17,916.01
A-2006	Restauration & Canteen costs	105,000.00	89,396.78	85.14%	105,000.00	80,505.69	76.67%	8,891.09	15,603.22
A-2009	Other expenditure on buildings	92,000.00	81,478.90	88.56%	92,000.00	68,257.88	74.19%	13,221.02	10,521.10
	Total Article 200	3,060,851.00	2,892,820.16	94.51%	3,060,851.00	2,761,566.79	90.22%	131,253.37	168,030.84
	Total Chapter 20	3,060,851.00	2,892,820.16	94.51%	3,060,851.00	2,761,566.79	90.22%	131,253.37	168,030.84
A-2110	Purchases of new hardware for operation the centre	746,782.00	729,359.89	97.67%	746,782.00	382,126.34	51.17%	347,233.55	17,422.11
A-2111	Purchase of new software for the operation at the centre	802,218.00	800,268.48	99.76%	802,218.00	642,184.94	80.05%	158,083.54	1,949.52
A-2112	Purchase and Maintenance of printing and reproduction equipment	272,000.00	264,857.77	97.37%	272,000.00	198,199.95	72.87%	66,657.82	7,142.23
A-2114	Developments to support administrative and management applications	499,142.00	418,781.80	83.90%	499,142.00	254,961.80	51.08%	163,820.00	80,360.20
	Total Article 211	2,320,142.00	2,213,267.94	95.39%	2,320,142.00	1,477,473.03	63.68%	735,794.91	106,874.06
	Total Chapter 21	2,320,142.00	2,213,267.94	95.39%	2,320,142.00	1,477,473.03	63.68%	735,794.91	106,874.06
A-2200	Technical equipment and AV installations	54,000.00	22,184.75	41.08%	54,000.00	8,588.06	15.90%	13,596.69	31,815.25
A-2201	Furniture	135,900.00	34,571.58	25.44%	135,900.00	13,294.03	9.78%	21,277.55	101,328.42
A-2202	Purchase and maintenance of vehicles	10,000.00	459.46	4.59%	10,000.00	459.46	4.59%	0.00	9,540.54
	Total Article 220	199,900.00	57,215.79	28.62%	199,900.00	22,341.55	11.18%	34,874.24	142,684.21
	Total Chapter 22	199,900.00	57,215.79	28.62%	199,900.00	22,341.55	11.18%	34,874.24	142,684.21

Budget Line Position	Budget Line Description	Commitment Appropriation Transaction Amount	Executed Commitment Amount	% Committed	Payment Appropriation Transaction Amount	Executed Payment Amount	% Paid	RAL	Cancelled
A-2300	Stationery and office supplies	144,000.00	135,500.00	94.10%	144,000.00	71,372.30	49.56%	64,127.70	8,500.00
A-2301	Financial and other charges, exchange losses	10,000.00	5,300.00	53.00%	10,000.00	4,764.91	47.65%	535.09	4,700.00
A-2302	Library expenses, purchase of books and info subscriptions	15,000.00	13,134.78	87.57%	15,000.00	3,629.67	24.20%	9,505.11	1,865.22
A-2306	Miscellaneous insurance	10,000.00	10,000.00	100.00%	10,000.00	10,000.00	100.00%	0.00	0.00
A-2307	Legal Expenses	88,100.00	29,195.14	33.14%	88,100.00	29,195.14	33.14%	0.00	58,904.86
A-2308	Business Continuity	20,000.00	0.00	0.00%	20,000.00	0.00	0.00%	0.00	20,000.00
A-2309	Other operating expenditure	20,000.00	5,116.92	25.58%	20,000.00	4,376.92	21.88%	740.00	14,883.08
	Total Article 230	307,100.00	198,246.84	64.55%	307,100.00	123,338.94	40.16%	74,907.90	108,853.16
	Total Chapter 23	307,100.00	198,246.84	64.55%	307,100.00	123,338.94	40.16%	74,907.90	108,853.16
A-2400	Postal and delivery charges	50,000.00	33,000.00	66.00%	50,000.00	26,530.00	53.06%	6,470.00	17,000.00
	Total Article 240	50,000.00	33,000.00	66.00%	50,000.00	26,530.00	53.06%	6,470.00	17,000.00
A-2410	Telecommunication and internet charges	203,000.00	203,000.00	100.00%	203,000.00	168,345.35	82.93%	34,654.65	0.00
	Total Article 241	203,000.00	203,000.00	100.00%	203,000.00	168,345.35	82.93%	34,654.65	0.00
	Total Chapter 24	253,000.00	236,000.00	93.28%	253,000.00	194,875.35	77.03%	41,124.65	17,000.00
A-2500	Governance and administrative meetings	260,000.00	217,716.58	83.74%	260,000.00	122,597.81	47.15%	95,118.77	42,283.42
A-2501	Evaluation and Strategic Management Consulting	415,000.00	55,500.00	13.37%	415,000.00	0.00	0.00%	55,500.00	359,500.00
	Total Article 250	675,000.00	273,216.58	40.48%	675,000.00	122,597.81	18.16%	150,618.77	401,783.42
	Total Chapter 25	675,000.00	273,216.58	40.48%	675,000.00	122,597.81	18.16%	150,618.77	401,783.42
	Total Title 2	6,815,993.00	5,870,767.31	86.13%	6,815,993.00	4,702,193.47	68.99%	1,168,573.84	945,225.69

Budget Line Position	Budget Line Description	Commitment Appropriation Transaction Amount	Executed Commitment Amount	% Committed	Payment Appropriation Transaction Amount	Executed Payment Amount	% Paid	RAL	Cancelled
B3-000	Networking, surveillance and data collection on Communicable diseases	2,477,647.17	2,476,094.29	99.94%	2,477,647.17	1,278,384.73	51.60%	1,197,709.56	1,552.88
B3-001	Preparedness, response and emerging health threats	126,935.00	61,915.00	48.78%	126,935.00	6,802.06	5.36%	55,112.94	65,020.00
B3-002	Scientific opinions and studies	3,898,840.83	3,835,883.77	98.39%	3,898,840.83	2,407,497.63	61.75%	1,428,386.14	62,957.06
B3-003	Technical assistance and training	4,106,168.00	4,095,276.90	99.73%	4,106,168.00	2,190,062.93	53.34%	1,905,213.97	10,891.10
B3-004	Publications and Communications	1,091,325.00	1,078,882.18	98.86%	1,091,325.00	638,696.29	58.52%	440,185.89	12,442.82
B3-005	ICT to support projects	5,891,883.00	5,844,767.95	99.20%	5,891,883.00	3,502,680.60	59.45%	2,342,087.35	47,115.05
B3-006	Build up and maintenance of the Crisis Centre	95,000.00	93,122.00	98.02%	95,000.00	29,302.65	30.84%	63,819.35	1,878.00
B3-007	Translations of scientific and technical reports and documents	188,426.00	188,342.00	99.96%	188,426.00	148,426.00	78.77%	39,916.00	84.00
B3-008	Meetings to implement the work programme	2,239,901.00	2,129,961.44	95.09%	2,239,901.00	1,353,796.43	60.44%	776,165.01	109,939.56
B3-009	Country cooperation and partnership	93,889.00	93,889.00	100.00%	93,889.00	65,723.00	70.00%	28,166.00	0.00
B3-010	Scientific Library and Knowledge Services	190,000.00	189,443.73	99.71%	190,000.00	142,454.17	74.98%	46,989.56	556.27
Total Chapter 30		20,400,015.00	20,087,578.26	98.47%	20,400,015.00	11,763,826.49	57.67%	8,323,751.77	312,436.74
Total Title 3		20,400,015.00	20,087,578.26	98.47%	20,400,015.00	11,763,826.49	57.67%	8,323,751.77	312,436.74
GRAND TOTAL		58,201,000.00	54,658,512.74	93.91%	58,201,000.00	44,385,099.35	76.26%	10,273,413.39	3,542,487.26

Budget Execution / Fund source C5 – Current year appropriations

Budget Line Position	Budget Line Description	Commitment Appropriation Transaction Amount	Executed Commitment Amount	% Committed	Payment Appropriation Transaction Amount	Executed Payment Amount	% Paid	RAL
A-2110	Purchases of new hardware for operation the centre	800.00	800.00	100.00%	800.00	800.00	100.00%	0.00
Total Chapter 21		800.00	800.00	100.00%	800.00	800.00	100.00%	0.00
A-2202	Purchase and maintenance of vehicles	9,552.00	6,552.00	68.59%	9,552.00	6,031.92	63.15%	3,520.08
Total Chapter 22		9,552.00	6,552.00	68.59%	9,552.00	6,031.92	63.15%	3,520.08
Total Title 2		10,352.00	7,352.00	71.02%	10,352.00	6,831.92	66.00%	3,520.08
GRAND TOTAL		10,352.00	7,352.00	71.02%	10,352.00	6,831.92	66.00%	3,520.08

Annex 2 – Budget Execution / Fund source C8 – Appropriations carried over

Budget Line Position	Budget Line Description	Commitment Appropriation Transaction Amount	Executed Commitment Amount	% Committed	Payment Appropriation Transaction Amount	Executed Payment Amount	% Paid	Cancelled
A-1149	Learning & Development	294,755.73	289,607.29	98.25%	294,755.73	289,607.29	98.25%	5,148.44
	Total Article 114	294,755.73	289,607.29	98.25%	294,755.73	289,607.29	98.25%	5,148.44
A-1174	Payment for Administrative Assistance	12,500.00	5,679.80	45.44%	12,500.00	5,679.80	45.44%	6,820.20
A-1175	Interim services	593,761.46	560,999.59	94.48%	593,761.46	560,999.59	94.48%	32,761.87
	Total Article 117	606,261.46	566,679.39	93.47%	606,261.46	566,679.39	93.47%	39,582.07
A-1180	Miscellaneous expenditure on recruitment	53,004.40	28,909.90	54.54%	53,004.40	28,909.90	54.54%	24,094.50
A-1183	Removal Expenses	34,542.66	26,919.43	77.93%	34,542.66	26,919.43	77.93%	7,623.23
	Total Article 118	87,547.06	55,829.33	63.77%	87,547.06	55,829.33	63.77%	31,717.73
	Total Chapter 11	988,564.25	912,116.01	92.27%	988,564.25	912,116.01	92.27%	76,448.24
A-1300	Mission expenses, travel expenses and incidental expenditure	177,772.75	116,778.75	65.69%	177,772.75	116,778.75	65.69%	60,994.00
	Total Article 130	177,772.75	116,778.75	65.69%	177,772.75	116,778.75	65.69%	60,994.00
	Total Chapter 13	177,772.75	116,778.75	65.69%	177,772.75	116,778.75	65.69%	60,994.00
A-1410	Medical Service	28,899.04	18,483.66	63.96%	28,899.04	18,483.66	63.96%	10,415.38
	Total Article 141	28,899.04	18,483.66	63.96%	28,899.04	18,483.66	63.96%	10,415.38
	Total Chapter 14	28,899.04	18,483.66	63.96%	28,899.04	18,483.66	63.96%	10,415.38
A-1520	Staff Exchanges	2,172.28	316.91	14.59%	2,172.28	316.91	14.59%	1,855.37
	Total Article 152	2,172.28	316.91	14.59%	2,172.28	316.91	14.59%	1,855.37
	Total Chapter 15	2,172.28	316.91	14.59%	2,172.28	316.91	14.59%	1,855.37
A-1700	Entertainment & Representation Expenses	14,504.67	7,318.04	50.45%	14,504.67	7,318.04	50.45%	7,186.63
	Total Article 170	14,504.67	7,318.04	50.45%	14,504.67	7,318.04	50.45%	7,186.63
	Total Chapter 17	14,504.67	7,318.04	50.45%	14,504.67	7,318.04	50.45%	7,186.63
A-1801	Social Contact Between Staff	38,081.68	34,393.59	90.32%	38,081.68	34,393.59	90.32%	3,688.09
	Total Article 180	38,081.68	34,393.59	90.32%	38,081.68	34,393.59	90.32%	3,688.09
	Total Chapter 18	38,081.68	34,393.59	90.32%	38,081.68	34,393.59	90.32%	3,688.09
	Total Title 1	1,249,994.67	1,089,406.96	87.15%	1,249,994.67	1,089,406.96	87.15%	160,587.71

Budget Line Position	Budget Line Description	Commitment Appropriation Transaction Amount	Executed Commitment Amount	% Committed	Payment Appropriation Transaction Amount	Executed Payment Amount	% Paid	Cancelled
A-2000	Rent & Related Expenditure	600.00	0.00	0.00%	600.00	0.00	0.00%	600.00
A-2002	Water, Gas, Electricity Expenses	37,221.51	34,918.50	93.81%	37,221.51	34,918.50	93.81%	2,303.01
A-2003	Maintenance, cleaning	28,349.92	27,845.89	98.22%	28,349.92	27,845.89	98.22%	504.03
A-2004	Fitting-out	462,912.00	461,234.56	99.64%	462,912.00	461,234.56	99.64%	1,677.44
A-2005	Security of Building	41,726.63	40,040.32	95.96%	41,726.63	40,040.32	95.96%	1,686.31
A-2006	Restauration & Canteen costs	23,315.17	23,050.72	98.87%	23,315.17	23,050.72	98.87%	264.45
A-2009	Other expenditure on buildings	7,521.72	6,251.18	83.11%	7,521.72	6,251.18	83.11%	1,270.54
	Total Article 200	601,646.95	593,341.17	98.62%	601,646.95	593,341.17	98.62%	8,305.78
	Total Chapter 20	601,646.95	593,341.17	98.62%	601,646.95	593,341.17	98.62%	8,305.78
A-2110	Purchases of new hardware for operation the centre	254,915.69	235,945.00	92.56%	254,915.69	235,945.00	92.56%	18,970.69
A-2111	Purchase of new software for the operation at the centre	295,013.32	295,013.32	100.00%	295,013.32	295,013.32	100.00%	0.00
A-2112	Purchase and Maintenance of printing and reproduction equipment	35,339.52	33,138.54	93.77%	35,339.52	33,138.54	93.77%	2,200.98
A-2114	Developments to support administrative and management applications	90,152.09	87,092.09	96.61%	90,152.09	87,092.09	96.61%	3,060.00
	Total Article 211	675,420.62	651,188.95	96.41%	675,420.62	651,188.95	96.41%	24,231.67
	Total Chapter 21	675,420.62	651,188.95	96.41%	675,420.62	651,188.95	96.41%	24,231.67
A-2200	Technical equipment and AV installations	10,339.72	9,129.75	88.30%	10,339.72	9,129.75	88.30%	1,209.97
A-2201	Furniture	13,960.43	13,960.43	100.00%	13,960.43	13,960.43	100.00%	0.00
A-2202	Purchase and maintenance of vehicles	1,967.69	674.66	34.29%	1,967.69	674.66	34.29%	1,293.03
	Total Article 220	26,267.84	23,764.84	90.47%	26,267.84	23,764.84	90.47%	2,503.00
	Total Chapter 22	26,267.84	23,764.84	90.47%	26,267.84	23,764.84	90.47%	2,503.00

Budget Line Position	Budget Line Description	Commitment Appropriation Transaction Amount	Executed Commitment Amount	% Committed	Payment Appropriation Transaction Amount	Executed Payment Amount	% Paid	Cancelled
A-2300	Stationery and office supplies	3,000.00	506.14	16.87%	3,000.00	506.14	16.87%	2,493.86
A-2301	Financial and other charges, exchange losses	1,658.28	439.54	26.51%	1,658.28	439.54	26.51%	1,218.74
A-2302	Library expenses, purchase of books and info subscriptions	11,651.67	10,831.66	92.96%	11,651.67	10,831.66	92.96%	820.01
A-2307	Legal Expenses	2,500.00	2,200.00	88.00%	2,500.00	2,200.00	88.00%	300.00
A-2309	Other operating expenditure	5,253.53	4,671.00	88.91%	5,253.53	4,671.00	88.91%	582.53
	Total Article 230	24,063.48	18,648.34	77.50%	24,063.48	18,648.34	77.50%	5,415.14
	Total Chapter 23	24,063.48	18,648.34	77.50%	24,063.48	18,648.34	77.50%	5,415.14
A-2400	Postal and delivery charges	1,696.97	632.44	37.27%	1,696.97	632.44	37.27%	1,064.53
	Total Article 240	1,696.97	632.44	37.27%	1,696.97	632.44	37.27%	1,064.53
A-2410	Telecommunication and internet charges	22,232.93	21,256.19	95.61%	22,232.93	21,256.19	95.61%	976.74
	Total Article 241	22,232.93	21,256.19	95.61%	22,232.93	21,256.19	95.61%	976.74
	Total Chapter 24	23,929.90	21,888.63	91.47%	23,929.90	21,888.63	91.47%	2,041.27
A-2500	Governance and administrative meetings	54,058.56	36,307.20	67.16%	54,058.56	36,307.20	67.16%	17,751.36
A-2501	Evaluation and Strategic Management Consulting	69,307.60	65,907.60	95.09%	69,307.60	65,907.60	95.09%	3,400.00
	Total Article 250	123,366.16	102,214.80	82.85%	123,366.16	102,214.80	82.85%	21,151.36
	Total Chapter 25	123,366.16	102,214.80	82.85%	123,366.16	102,214.80	82.85%	21,151.36
	Total Title 2	1,474,694.95	1,411,046.73	95.68%	1,474,694.95	1,411,046.73	95.68%	63,648.22

Budget Line Position	Budget Line Description	Commitment Appropriation Transaction Amount	Executed Commitment Amount	% Committed	Payment Appropriation Transaction Amount	Executed Payment Amount	% Paid	Cancelled
B3-000	Networking, surveillance and data collection on Communicable diseases	1,578,849.88	1,559,924.09	98.80%	1,578,849.88	1,559,924.09	98.80%	18,925.79
B3-001	Preparedness, response and emerging health threats	119,354.00	119,354.00	100.00%	119,354.00	119,354.00	100.00%	0.00
B3-002	Scientific opinions and studies	1,794,196.19	1,760,085.83	98.10%	1,794,196.19	1,760,085.83	98.10%	34,110.36
B3-003	Technical assistance and training	934,871.43	764,616.37	81.79%	934,871.43	764,616.37	81.79%	170,255.06
B3-004	Publications and Communications	529,249.55	517,528.77	97.79%	529,249.55	517,528.77	97.79%	11,720.78
B3-005	ICT to support projects	2,121,925.29	2,039,650.42	96.12%	2,121,925.29	2,039,650.42	96.12%	82,274.87
B3-006	Build up and maintenance of the Crisis Centre	127,430.84	117,078.45	91.88%	127,430.84	117,078.45	91.88%	10,352.39
B3-008	Meetings to implement the work programme	907,960.15	725,923.57	79.95%	907,960.15	725,923.57	79.95%	182,036.58
B3-009	Country cooperation and partnership	81,142.76	55,936.89	68.94%	81,142.76	55,936.89	68.94%	25,205.87
B3-010	Scientific Library and Knowledge Services	98,740.14	93,500.23	94.69%	98,740.14	93,500.23	94.69%	5,239.91
	Total Chapter 30	8,293,720.23	7,753,598.62	93.49%	8,293,720.23	7,753,598.62	93.49%	540,121.61
	Total Title 3	8,293,720.23	7,753,598.62	93.49%	8,293,720.23	7,753,598.62	93.49%	540,121.61
	GRAND TOTAL	11,018,409.85	10,254,052.31	93.06%	11,018,409.85	10,254,052.31	93.06%	764,357.54

• **Annex 3 – Budget Execution/Fund source R0 – Assigned Revenue (DG ELARG Grant)**

Budget Line Position	Budget Line Description	Commitment Appropriation Transaction Amount	Executed Commitment Amount	% Committed	Payment Appropriation Transaction Amount	Executed Payment Amount	% Paid	RAL
B3-011	GRANT DG ELARG - CANDIDATE AND POTENTIAL CANDIDATE COUNTRIES	31,202.21	24,553.40	78.69%	24,553.40	24,553.40	100.00%	0.00
B-3012	DG ELARG GRANT 3 - ACTIONS WITH CANDIDATE AND POTE	188,054.00	188,054.00	100.00%	188,054.00	89,802.57	47.75%	98,251.43
	Total Article 310	219,256.21	212,607.40	96.97%	212,607.40	114,355.97	53.79%	98,251.43
	Total Chapter 31	219,256.21	212,607.40	96.97%	212,607.40	114,355.97	53.79%	98,251.43



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

Eight Financial Year – 2012

Stockholm, June 1st, 2013

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1. Developments in the Organisation during the year

Since its set up in 2005, ECDC was established to grow to around 300 staff, with 200 temporary agents and another 100 contract agents foreseen to be employed.

In 2012, ECDC was still growing, the staff (TAs, CAs and SNEs) increased from 270 to 292 persons. This had a large impact on the organisation, e.g. concerning induction of new staff; providing appropriate facilities, equipment and logistics; providing resources for recruitments; needs for further development of middle management and development of new policies and procedures.

In June 2012, a new ICT Unit (Information and Communication Technologies) was created, gathering resources previously scattered in the Resource Management and Coordination Unit (RMC) and in operational Units (and the development and maintenance of the main IT systems, such as TESSy, EWRS, EPIS) This provides the basis for necessary standardisations and cost-efficient operations and paves the way for the development of a new field in European public health informatics.

It was also decided in August 2012 to move the Microbiology section from the Resource Management and Coordination Unit to the Office of the Chief Scientist.

Following the creation of this new Unit, ECDC has been reorganized into five Units and the Director's Office. The Heads of Units are responsible for the activities in their Units, which are divided in sections. There is also a level of middle management, where a number of Heads of Sections are responsible for the activities. ECDC has a Senior Management Team (SMT), consisting of the Director and the Heads of Unit, which play an important role in the management of ECDC.

The Annual Work Programme 2012, prepared along the lines of the strategic multi-annual Work Programme 2007-2013, was approved by the Management Board in June 2011. The programme includes specific objectives. The implementation was followed up on a regular basis through the Management Information System (MIS), which had been implemented in 2009 with the view to be a central point of reference for the management and monitoring of the activities in the work programme and additional features have been developed into the application throughout 2012. The monthly reporting to the SMT of key data, such as commitments, payments and budget transfers was continued in 2012 and intensified towards the end of the year with the issue of weekly overviews in order to show the budget implementation and facilitate the decision making.

In 2012, the Director of ECDC, as Authorizing Officer (AO), delegated financial responsibility to the now five Heads of Unit (Authorizing Officers by Delegation (AOD)). The Heads of Unit in turn delegated, but only in their absence, to the Deputy Heads of Unit, if applicable. Should the Deputy Head of Unit be unavailable, the authority returns to the Director. Thereby, a very limited number of persons act as AO/AOD in ECDC. The AODs can enter into budgetary and legal commitments and authorize payments. However, all budgetary and legal commitments over 250.000€ need to be signed by the Director.

For the expenditure of 2012, the AODs signed a Declaration of Assurance to the AO, similar to the one signed by the AO himself, for the area for which they have been delegated responsibility.

2. Budget Implementation & Finance

ABAC WF (the EC integrated budgetary and accounting system) has reinforced compliance with the accrual accounting rules and ensured that ECDC financial systems are updated with all changes in the financial regulation.

The core budget of the Centre increased by 2% from € 56.6 million in 2011 to € 58.2 million in 2012, due to an increased EFTA contribution.

The budget execution in terms of commitment appropriations at year end initially reached 96%, (= € 56.2 million), which would have been a similar percentage to 2011. However, due to the fact that the provisions made by ECDC for the expected adjustments of the weighting factor for Sweden and salaries for 2011 and 2012, had to be cancelled at the end of 2012. Following the non-approval by the European Council of the proposed decision from the European Commission, the final budget execution in terms of commitment appropriations decreased to 93%, equivalent to € 54.6 million. As a consequence, a total of € 1.7 million, strictly foreseen for the payment of the weighting and salary adjustments, have remained unused and had to be cancelled at the end of 2012. According to the Financial Regulation of ECDC (Art. 10 & 62), appropriations relating to staff expenditure may not be carried-over and have to be returned to the European Commission.

In 2012, 6% of the budget or € 3.5 million remained unused of which € 2.2 million in Title I, € 0.9 million in Title II and € 0.3 million in Title III. The majority of budget lines with unused appropriations are staff related such as Salaries & Allowances and Weightings applied to remunerations. These appropriations in Title I remained unspent at year-end due to the circumstances described above.

The budget execution in terms of payments reached 76% of the total budget and therefore remained at the same level as in 2011. The payment execution for administrative expenses reached almost 69% compared to 72% in 2011. The payment execution for operational expenses reached almost 58% and therefore slightly decreased by 2% compared to 2011.

An overview comparing 2012 vs. 2011 - Current Year C1 credits % committed and % paid:

Title Description	Commitments %			Payments %		
	2012	2011	difference	2012	2011	difference
TITLE 1 <i>Staff expenses</i>	92.63%	94.53%	-1.9%	90.11%	90.20%	-0.09%
TITLE 2 <i>Administrative expense</i>	86.13%	96.80%	-10.67%	68.99%	72.84%	-3.85%
TITLE 3 <i>Operational expenses</i>	98.47%	98.60%	-0.13%	57.67%	60.23%	-2.56%
TOTAL TITLE 1 + 2 + 3	93.91%*	96.33%	-2.42%	76.26%	76.88%	-0.62%

* 96.66% on 20/12/2012 before the cancellation of funds related to the adjustments of weightings/ salaries described above

The total number of commitments processed in 2012 increased, while the number of payments decreased compared to 2011. 934 commitments and 6262 payment orders have been initiated, verified and subsequently authorized by the Director and the Authorizing Officers by delegation during 2012, compared to 598 commitments and 6948 payments in 2011.

In 2012, a third grant has been received for the cooperation with the European Commission on gradual integration of the Candidate and Potential candidate Countries for EU accession to ECDC programs. The implementation of this third grant throughout 2012, is shown in the table below. Also in 2012, the last payments regarding the second grant agreement, which ended on 30th November 2011, were made and the grant was closed following the approval of the technical and financial report by DG Enlargement. The remainder of 6.648,81€ was paid back to the European Commission in 2012.

Overview of the budget implementation (execution on commitments and payments) by fund source:

Fund Source	Commitment/ Payment Appropriations 2012	Executed Commitment 2012	% Commit- ted	Executed Payment in 2012	% Paid	Carried Over to 2013	Cancelled
C1 - Current year appropriations	58.201.000,00	54.658.512,74	93,91%	44.385.099,35	76,26%	10.273.413,39	3.542.487,26
C5 – Assigned revenue appropriations	10.352,00			6.831,92	65,99%	3.520,08	0,00
C8 - Carry Over of 2011 appropriations	11.018.409,85			10.254.052,31	93,06%	0,00	764.357,54
R0 – Carried over of 2011 Assigned Revenue DG ELARG Grant 2 (*)	31.202,21			24.553,40 ^(o)	78,69%	0,00	6.648,81
R0 - Assigned Revenue DG ELARG Grant 3 (*)	188.054,00	188.054,00	100%	89.802,57	47,75%	98.251,43	0,00

* Grant 2 & 3 -Actions with Candidate & Potential Candidate Countries

^o executed payments in 2012 on carry-over from 2011

During the year, in order to improve the efficiency of the funds allocated to ECDC, the Director exercised his right to amend the budget between titles within the limitations of article 23 point 1 of ECDC's Financial Regulation. As a result, budget transfers were made between titles for the net amount of € 269.008, in order to meet the needs of the Centre.

An overview of the impact of the budget transfers in fund source 'C1 –Current Year Appropriations' is provided below:

Budget 2012 Fund Source C1 Current Year Appropriations	Initial Budget	MB Amendments	Director Adjustments	EFTA Adjustments	FINAL BUDGET
Title 1 – Staff related Expenditure	31.173.000,00	0,00	-269.008,00	81.000,00	30.984.992
Title 2 – Administrative Expenditure	6.643.000,00	0,00	172.993,00	0,00	6.815.993,00
Title 3 - Operations	20.261.000,00	0,00	96.015,00	43.000,00	20.400.015,00
Total Budget	58.077.000,00	0,00	0,00	124.000,00	58.201.000,00

During 2012, ECDC has addressed the high level of carry forward and has further reduced the amount to € 10 million, equivalent to 17 % of the total budget, compared to 19 % of the total budget carried forward in 2011.

In 2012, the procurement office supported 44 open procedures, 43 calls for tenders and 1 call for proposal, as well as 71 reopening procedures (IT Framework Contracts). Furthermore 13 negotiated procedures with a value above 25,000 EUR were concluded, among which three were above € 60,000. 35 opinions were given by the CPCG (Committee for Procurement Contracts and Grants) before launching the procedures, giving advice to ensure compliance with relevant rules and regulations.

3. Audit issues and internal control

Internal Control Standards

Since 2006, the ECDC has had a set of Internal Control Standards (ICS) 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 the ECDC objectives. These control standards were developed along the lines of the European Commission's Internal Control Standards, which are based on the international COSO standards.

In early 2010, ECDC followed the example of the European Commission and introduced the revised set of Internal Control Standards. These revised Internal Control Standards are more detailed in the requirements and increase the internal control especially in the areas of staff allocation and mobility, business continuity, external communication and accounting and financial reporting. The revised ICS were discussed in detail in the Audit Committee and adopted by the Management Board in March 2010.

The standards cover the areas of mission and values, human resources, planning and risk management processes, operations and control activities, information and financial reporting, and evaluation and audit.

Each Internal Control Standard is made up of a number of requirements to be met. For each such requirement ECDC has identified what is in place already, the actions to take, the person responsible and the deadline for when it should be in place.

A review of the implementation of the ICS was performed as part of the work for the annual report 2012. The results were discussed and validated by ECDC management. One of the standards has not been implemented, regarding evaluation of activities (no 14), and one has been partly not implemented (no 12), while the rest are mainly or fully implemented. Work will continue in 2013 on the outstanding actions not yet in place, in order to make sure all ICS are fully implemented.

European Court of Auditors

ECDC is audited every year by the European Court of Auditors (ECA). The audit provides a Statement of Assurance as to the reliability of the accounts of the Centre and the legality and regularity of the transactions underlying them.

ECDC had previously received an unqualified ⁽²⁾ opinion every year, indicating that the accounts are reliable and the transactions underlying the accounts are legal and regular. However, in 2012 ECDC received a qualification on the underlying transactions (for 2011) regarding a Framework Contract, which had exceeded the value mentioned in the contract award notice with € 5.9 million in commitments and € 3.2 million in payments.

In total, there were five comments raised by the ECA regarding the 2011 annual accounts. The one mentioned above; one regarding a high level of carryover, coupled with a low level of accrued expenditure, being at odds with the budgetary principle of annuality; one regarding additional cases in which the Centre's controls did not prevent poor management of contracts; one regarding a grant agreement which had been signed more than four months after the start of the activities; and finally one regarding weaknesses in staff recruitment procedures.

All of these issues are being addressed by ECDC. A number of actions have already been taken to improve contract management, especially regarding the "shared" Framework Contract. It is now being managed by one Head of Unit only and all the consumption is being monitored by one resource officer. Furthermore, the internal procedure on procurement is being revised and a new contract management tool is to be put in place.

The high level of carryovers is being addressed continuously, and the selection procedures for staff have been reviewed and a revised internal procedure on Recruitments was introduced 1 January 2012.

The ECA audit of the 2012 annual accounts is on-going. The draft report will be available in June 2013. The first part of the audit was performed in November 2012 and the second part will be performed in April 2013.

Internal Audit Service

The ECDC is also audited by its Internal Auditor, the Internal Audit Service of the European Commission (IAS). The audit work to be performed is defined in the risk based IAS Strategic Audit Plan. All observations and recommendations are taken into account and appropriate action plans are developed. The implementation of these actions is being followed up regularly.

In 2012, an audit on 'Human Resource Management' was performed by the IAS. The audit raised 1 very important and 6 important observations. All the recommendations were accepted by ECDC and an action plan was developed.

² Unqualified audit opinion = The auditor's report contains a clear written expression of opinion on the financial statements or the legality and regularity of underlying transactions as a whole. An **unqualified opinion** is expressed when the auditor concludes that, on the whole, the underlying transactions are legal and regular and the supervisory and control systems are adequate to manage the risk.

At the end of 2012 there were in total no critical observations, 1 very important observation and 7 important observations officially open. However, of those 3 have already been closed by the IAS in early February 2013, while the 5 outstanding observations are planned to be implemented in Q1 (4) and Q2 2013 (1).

4. Human Resources and Staffing

The Human Resources section is supporting the Centre's management and staff in this consolidation phase by continuous HR services in areas such as recruitment, working conditions, pay and entitlements as well as learning and development. The objective of the Centre's learning and development activities is to offer professional growth for the individual as well as to maintain and further strengthen the Centre's organisational performance. In 2012, the Centre's management development programme continued and was further developed for managers on all levels. With the aim of further strengthening the managerial competence in the organisation, the 360-degree feedback programme was continued in 2012.

The total number of temporary agents in place at the Centre as of 31.12.2012 was 187. However, considering offers made, 189 out of the 198 posts provided for in the Establishment Table as from January 2013 were filled.

Moreover, a total of 91 contract agents (98 including offers made) and 4 seconded national experts (5 including offers made) were in place by the end of 2012.

The turnover rate for temporary agents and contract agents was around 7 % in 2012.

Table 1: Number of staff and selection procedures

	2010	2011	2012
Total staff (TA, CA, SNE)	254	270	282 (292 including offers)
Selection procedures	133**	56*	49*

*The number of recruitment procedures include those that led to an actual start of employment in the specified year, i.e. it includes procedures already launched in previous year, but finalized in the specified year and not those procedures still ongoing at the end of that year.

**In order to be able to monitor statistics, we have, for the first time in 2010, only considered recruitment procedures that led to an actual start of employment in 2010. Subsequently this includes procedures already launched in 2009 and finalized in 2010, however not those procedures still ongoing at the end of 2010 (with a start date in 2011).

Table 2: Staff (TA, CA, SNE's) by Unit

	TA	CA	SNE	Total
DIR	11	6	1	18
OCS	24	10	0	34
SRS	60	12	2	74
PHC	29	20	1	50
RMC	39	36	0	75
ICT	24	7		31
Total	187	91	4	282

Table 3: Breakdown by nationality (temporary agents and contract agents)

Nationality	AST	AD	TA total	CA	SNE	ECDC total
Austria	0	1	1	2		3
Belgium	1	7	8	2		10
Bulgaria	2	3	5	2		7
Cyprus	1	0	1	1		2
Czech Republic	0	2	2	2		4
Denmark	2	1	3	1		4
Estonia	1	1	2	2		4
Finland	3	8	11	0		11
France	3	14	17	11		28
Germany	7	13	20	5		25
Greece	0	2	2	3	1	6
Hungary	0	3	3	0		3
Ireland	1	0	1	0		1
Italy	6	11	17	6		23
Latvia	3	2	5	1		6
Lithuania	2	2	4	2		6
Luxembourg	0	0	0	0		0
Malta	0	2	2	0		2
Netherlands	3	7	10	1	2	13
Poland	2	1	3	3	1	7
Portugal	1	3	4	2		6
Romania	8	2	10	10		20
Slovakia	0	1	1	0		1
Slovenia	0	1	1	0		1
Spain	1	7	8	6		14
Sweden	12	19	31	25		56
United Kingdom	5	10	15	4		19
Total	64	123	187	91	4	282