

2008 discharge: European Medicines Agency

EMA

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The Committee on Budgetary Control adopted the report by Véronique MATHIEU (EPP, FR) on discharge to be granted to the European Medicines Agency, calling on the European Parliament to grant the Executive Director of the Agency discharge in respect of the implementation of the Agency's budget for the financial year 2008.

Noting that the Agency's annual accounts for the financial year 2008 are reliable, and the underlying transactions are legal and regular, MEPs approve the closure of the Agency's accounts. However, they make a number of recommendations that need to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on financial management and control of EU agencies (see [2010/2007\(INI\)](#)):

- **carry over of appropriations:** Members are concerned that the Court of Auditors has pointed out that the budget appropriations carried over and cancelled have amounted respectively to EUR 36 million (19.7% of the budget). They point out, as noted in previous financial years, that the high level of carry-overs for administrative expenditure was mainly due to IT expenditure. They are consequently concerned as this situation has existed for a number of years and is at odds with the annuality principle;
- **procurement procedures:** Members called on the Agency to improve the quality of its procurement procedures so as to put an end to the shortcomings identified by the Court of Auditors. They take note of the Agency's longstanding policy of entering into a forward foreign exchange contract in order to hedge part of its administrative budget against unfavourable fluctuations in the exchange rate of sterling. MEPs expect the Agency to manage such transactions prudently and recommend that a working group be set up to observe and closely monitor the hedging strategy;
- **revenue from fees:** Members point out that the fees charged for evaluation services are the main source of the Agency's revenue, accounting for 70.2% of its total revenue in 2008. They note that the Agency reported EUR 2 046 000 in income from interest in 2008. They conclude from the financial statements and from the level of the interest payments that the Agency has a permanently extremely high level of cash holdings (on 31 December 2008 the Agency's cash holdings amounted to EUR 41.887 million). They ask the Commission to examine what scope there is for helping to ensure that the cash holdings are managed entirely on a needs-orientated basis and what changes of approach are necessary in order to keep the Agency's cash holdings permanently as low as possible;
- **internal audit:** lastly, Members ask the Agency to implement the recommendations from the Internal Audit Service (IAS) in particular as regards the conflicts of interest.