

2008 discharge: European Medicines Agency

EMA

2009/2118(DEC) - 05/05/2010 - Text adopted by Parliament, single reading

The European Parliament adopted by 553 votes to 30, with 57 abstentions, a decision on discharge to be granted to the Executive Director of the European Medicines Agency in respect of the implementation of its budget for the financial year 2008. The decision to grant discharge is also an approval of the closure of the accounts of this EU agency. Furthermore, Parliament adopted a resolution with observations which are an integral part of the decision to grant discharge to this Agency.

The main points are as follows:

- **carry over of appropriations:** Parliament is 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). It points out, as noted in previous financial years, that the high level of carry-overs for administrative expenditure was mainly due to IT expenditure. It is, consequently, concerned as this situation has existed for a number of years and is at odds with the annuality principle;
- **procurement procedures:** Parliament calls 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. It takes 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. Parliament expects the Agency to manage such transactions prudently and recommends that a working group be set up to observe and closely monitor the hedging strategy;
- **revenue from fees:** Parliament points 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. It notes that the Agency reported EUR 2 046 000 in income from interest in 2008. It concludes 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). It asks 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, Parliament asks the Agency to implement the recommendations from the Internal Audit Service (IAS) in particular as regards the conflicts of interest.

Noting that the Agency's annual accounts for the financial year 2008 are reliable, and the underlying transactions are legal and regular, Parliament approves the closure of its accounts and refers to the general recommendations that appear in the draft resolution on financial management and control of EU agencies (see [2010/2007\(INI\)](#) adopted in parallel).