

2009 discharge: Artemis Joint Undertaking to implement a Joint Technology Initiative in Embedded Computing Systems

2010/2190(DEC) - 20/10/2010 - Court of Auditors: opinion, report

PURPOSE: presentation by the Court of Auditors of its report on the annual accounts of the Artemis Joint Undertaking together with the Joint Undertaking's replies

CONTENT: in accordance with the tasks and objectives conferred on it by the Treaty on the Functioning of the European Union (TFEU), the Court of Auditors, in the context of the discharge procedure, addresses to the European Parliament and the Council a Statement of Assurance on the reliability of the annual accounts, as well as of the legality and regularity of the transactions underlying them of each EU institution, body or agency, on the basis of an external, independent audit.

This audit also covered the annual accounts of the Artemis Joint Undertaking.

In the Court's opinion, **the Joint Undertaking's annual accounts presented "fairly, in all material respects", its financial position as of 31 December 2009** and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation.

The Court also stated that the **transactions underlying the annual accounts** of the Joint Undertaking for the financial year ended 31 December 2009 were, "in all material respects, **legal and regular**".

The report again confirmed that maximum EU contribution to the Artemis Joint Undertaking to cover running costs and research activities is EUR 420 million to be paid from the budget of the Seventh Research Framework Programme. The Artemis IA association is to make a maximum contribution of EUR 30 million. Artemis Member States are to make in-kind contributions to the running costs and provide financial contributions of at least 1.8 times the EU contribution. In-kind contributions are also to be provided by research organisations participating in projects. The final budget included commitment appropriations of EUR 46 million and payment appropriations of EUR 8 million.

The report also included comments on the Joint Undertaking's budgetary and financial management, together with the Agency's replies. The main comments are as follows:

The Court's comments:

- low utilisation rates for the budget (the rate of execution show commitment and payment appropriations were 81 % and 20 % respectively);
- deficiencies in the implementation of internal controls and financial information system (at the end of 2009 the underlying business processes had not yet been formalised and had not been validated by the Accounting Officer as required by the Financial Rules of the Joint Undertaking);
- lack of host State agreement concerning office accommodation, privileges and immunities and other support to be provided by Belgium (official seat) to the Joint Undertaking;
- internal audit function not established.

The Joint Undertaking's replies:

- rate of budgetary execution low in 2009 reflecting the start-up phase of the Joint Undertaking;

- the internal control standards will be implemented in two phases from March to September 2010;
- the Joint Undertaking awaits the outcome of the next steps of the procedure to have an agreement signed;
- an internal auditing function will be put in place during 2010.

Lastly, the Court of Auditor's report contained a summary of the Joint Undertaking's **activities in 2009**. The main task in 2009 for this new Agency consisted of :

- the preparatory actions necessary for the autonomy of the IMI JU granted on 26 October 2009;
- launch of 2nd call for proposals;
- start of R & D projects for the 2nd call for proposals;
- monitoring and review of 1st call for proposals;
- signature of the General Financing Agreement with the Commission.