2009 discharge: IMI Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines

2010/2191(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 Innovative Medicines Initiative Joint Undertaking (IMI 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 IMI 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 the maximum the maximum EU contribution to the IMI Joint Undertaking to cover running costs and research activities is EUR 1 billion to be paid from the budget of the Seventh Research Framework Programme. The EU and EFPIA, as founding members, are to contribute equally to the running costs, each of them with an amount not exceeding 4 % of the total EU contribution. Other members are to contribute to running costs in proportion to their contribution to research activities. The final budget included payment appropriations of EUR 82 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:

- inadequate implementation of the budget in 2009 (EUR 82 million) in view of the number of activities associated with the budget - the budget for payments proved to be 97 %, the rate
- for payment appropriations was only 1 % (the budget is shown to be unrealistic).
- lack of host State agreement concerning office accommodation, privileges and immunities and other support to be provided by Belgium to the Joint Undertaking;
- Deficiencies in the presentation of the accounts and and in in the internal audit function ;

The Joint Undertaking's replies:

- the low implementation rate for payments in 2009 was a consequence of the start-up phase of the Joint Undertaking ;

- the Joint Undertaking awaits the outcome of the next steps of the procedure to have an agreement signed;
- continuing development of internal control standards and an internal auditor is to be appointed towards the end of 2010.

Lastly, the Court of Auditor's report contained a summary of the Joint Undertaking's **activities in 2009.** The main task for 2009 was the preparatory actions necessary for the autonomy of the IMI JU granted on 16 November 2009. It carried out the following actions:

- recruitment of staff;
- setting up the offices of the Joint Undertaking;
- establishment of procedures for administrative and operational actions.

The Joint Undertaking finalised its first call for proposals. An IT infrastructure was also set up and communication activities were carried out in order to present the activities of the Joint Undertaking.